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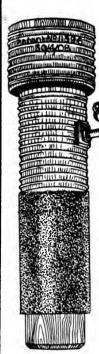
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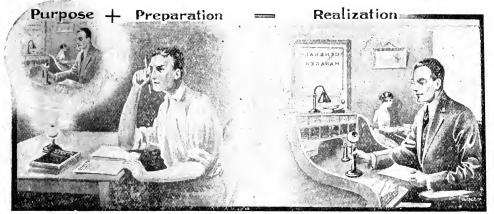
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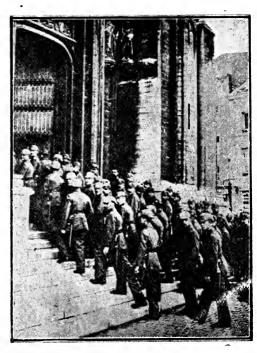
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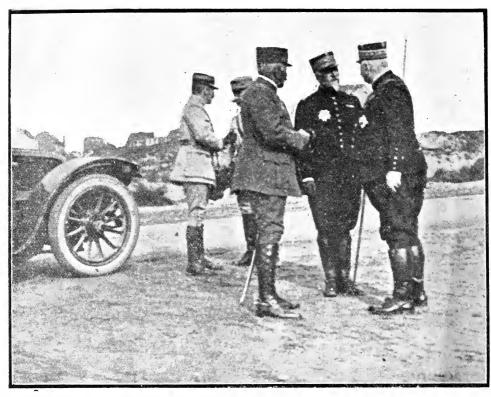


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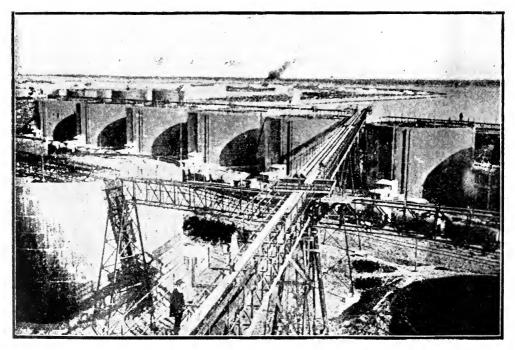
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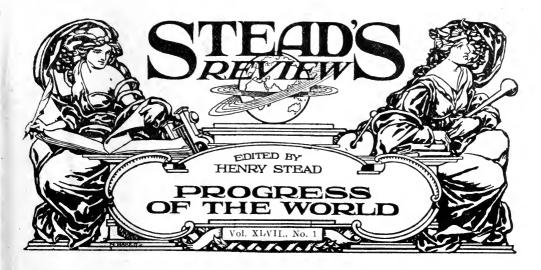
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DECEMBER 30, 1916.

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Writing at the end of October, I set forth why I considered it certain that there would soon be Peace talk, and since then I have consistently assured my readers that serious Peace proposals might be expected at any moment. I have been strongly taken to task for this insistence on the fact that efforts would certainly be made to end the frightful struggle by diplomatic means instead of by the sword, and certain of those who are supposed to write with some authority on the world war have seen fit to tear indignation to tatters when dealing with Peace possibilities, declaring that anyone venturing to talk, or write, of Peace at the present juncture is to all intents a German agent, a traitor to his country! Such men write, of course, in ignorance of the real condition of affairs in Europe. True, it is an ignorance they could easily dispel, an they would, but knowledge of their subject would undoubtedly too much hamper them in commenting on the situation, so they prefer to continue in the role they have so successfully adopted during the last couple of years, and go on blindly leading the blind.

A Peace Conference Within Three Months.

It will be an interesting psychological study, were it worth while, to watch how they explain away their recent writings when Peace is talked of in all seriousness between the diplomats of the warring Powers during the next few months. They have so often had to eat their words, though, that they will no doubt be able to convince themselves, if not their readers, that they have all along strongly advocated Peace pourparlers with a view to end the horrible struggle, the continuance of which they so deeply deplore. In view of the Peace Notes of Germany, the United States and other neutrals, I venture to think that my two months' ago prophecy concerning the imminence of Peace talk was entirely justi-At that time such suggestion was scoffed at, just as to-day any idea of a real Peace conference is scouted and denounced, yet, despite the screaming of the critics, the neutrals are formally urging that efforts be made to end the war, and, notwithstanding the present outcry against Peace negotiations, it is entirely probable that Peace is being gravely considered, that within three months or less the preliminary

fencing we are now witnessing will be over, and the diplomats of the fighting nations will be arranging to meet in conference.

The American Note.

The reason why I was so confident that there would be talk of Peace soon was because I have carefully followed the neutral papers and could easily see that the noncombatant nations were determined to bring about the end of a condition of things so disastrous to themselves at the earliest possible moment. The leaders of the Allies must have been fully cognisant of the feelings of the neutrals, great and small; were therefore, I am convinced, not at all surprised to receive proposals regarding Peace from the United States, the most mighty neutral of them all. Here a very general astonishment was manifested when the announcement concerning Dr. Wilson's Note was published. It was at first widely denounced as an unwarrantable interference with the Allies' announced intention of continuing the fight until Germany was completely crushed; but second thoughts suggested that the President would never have acted as he did without good reasons, would never have despatched his Note when he did, had he not considered it the most opportune time so to do. The chiefest exception taken to the Presidential communication was the assumption therein that both sides desired to secure the rights and privileges of the weak peoples and small States against aggression. But an analysis of the sentiments which produce the resentment against the action of the President seems to indicate that some consideration must be given to the strong feeling which been for so long shown against the Chief Magistrate of the American people which antagonises us against accepting him in the role of mediator. When the unfortunate, and unjust, bitterness against Dr. Wilson was at its height I pointed out that it was absolutely inevitable that the President of the United States would have much to do with the bringing about of Peace in the end. The reception of that statement enables me to quite comprehend the feelings which animate those who are now declaring the Wilson Note an unwarrantable interference in our affairs.

How Do We Know?

It is always a difficult matter to put oneself in the other fellow's place, and yet unless one does try to do that one cannot hope to judge sanely concerning actual

happenings in Europe at the present time. We look at everything from our own point of view; make but slight efforts to consider how others may regard matters. is this inability of ours which has caused us to fall into such grievous errors concerning the Germans and their powers of resistance, concerning the Americans and their attitude towards the war, concerning the neutrals generally. It is on this latter point that I would ask my readers to We say this neutral is favourable to us, that is unfavourable; this recognises the high and noble reasons which forced us into the war, that for some unaccountable cause does not, and so on and so forth. How do we know? As a matter of fact we don't know, save in rare We accept what certain neutral papers say, and what certain British correspondents in those countries care to recount for our benefit. It is indeed rare for more than one paper to be quoted, for more than one correspondent's opinions to come to us over the cables. In times of peace, when some great political struggle was rending the land, would we consider it a reasonable thing for people in England to judge the true situation in the Commonwealth from quotations taken from one paper only, from the outpourings of a single correspondent? Surely the only way for the folk on the other side of the world to arrive at a real knowledge of the position in Australia would be to see papers advocating both sides, to hear what correspondents of opposing parties had to say.

What the Neutrals Are Thinking.

We here in Australia know, as a matter of fact, very little indeed of what the neutrals are really thinking, of what they have actually been doing during the last few To ascertain that it is necessary to read the papers published in these countries, and for many reasons such an exercise is impossible for the great majority of people, who can neither get these journals nor could they read them if they were avail-Yet only by studying their own newspapers can we really reach any just estimate of what these neutrals think of the various belligerents, how they view the war. Such a perusal would, I am sure, amaze many good people here! Perhaps the best illustration of the unreliability of our cables concerning neutrals is given by those which tell us about the feeling in Holland. Look back through the newspaper files and you will find that practically the only journal

which is constantly quoted is de Telegraaf of Amsterdam. We are allowed to assume that this paper is one of the most influential in the Netherlands, that its editorials reflect best the general opinion of the Dutch. Yet the cold truth is that de Telegraaf happens to be the outcast of Dutch journalism, a paper of little or no influence in Holland, but a journal which, since the beginning of the war, has thrown itself solidly on the side of the *Entente* Powers. That is not to say that it does not sometimes adequately voice the general feeling of the Dutch folk; it no doubt does, but that it often gives expression to views held by few people outside its own staff is certain. Therefore we may be quite sure that if we look at Holland only through the spectacles of de Telegraaf, we do not really know what the Dutch are thinking. Holland may be more for us than against us, but that we do not really know definitely; we do know, however-now-that the great activity reported in that country some months ago was not due to the causes which de Telegraaf and "our own correspondents in Holland" would have had us believe.

A League of Neutrals.

And so it is with every country not actually engaged in hostilities. We assume gaily that they are all on our side. are curiously blind to the possibility that they are on no one's side but their own. We know we entered the war to defend the little States and to destroy Prussian militarism, and therefore we cannot understand any neutral being at least as afraid of us as of Germany—the swashbuckler of Europe. Our lamentable ignorance of the attitude of neutrals is no doubt the reason why the Peace proposals of the United States, of Switzerland, of the Scandinavian countries, have taken us so completely by sur-Yet these notes are the result of weeks, even months, of counsel between the Powers not yet engulfed in the bloody maelstrom of war. Those in authority at Home, in France, in Italy and in Russia, must have been perfectly aware that a league of neutrals was being formed with the express purpose of bringing the struggle to an end as speedily as possible. These notes cannot have taken them by surprise, although their arrival immediately after that of Germany may have caused them astonishment. We here have no means of judging what actually occurred, but we can, of course, make what guess we like. I, for

instance, take it as obvious that the United States, Switzerland and the other neutrals had some time ago decided to act just before Christmas. The action of Germany in herself proposing a conference complicated matters, but the neutral statesmen evidently did not think it advisable to stay their hands because Germany had moved and had to some extent forestalled them. The appeal of the American President will, I feel quite certain, not be unheeded, and I would be immensely surprised if before long, early in the New Year, that is, some sort of a Peace Conference is not held.

Ask for Definite Terms.

We are so absolutely convinced that in the end, whenever that end may be, however far off it is, we must win, that we, in very truth, cannot even grasp the possibility of the enemy having just as convinced views concerning their own ultimate victory. Yet to imagine that the Germans think the Allies can ever beat them in the field is really an extraordinary delusion. I don't say that the Allies in time might not be victorious on the field of battle, but we only fool ourselves if we believe that the Germans for a moment think such a thing possible. German may, of course, be a much deluded individual, but we ought to recognise that he is so completely deluded as to imagine that his armies must in the end prevail, and remember that in our prophecies as to what is likely to happen during the next few weeks. The Allies will either agree to the President's proposal or they will turn it down, or-and this is the most likely thing—they will say that until Germany definitely sets forth her proposals they will not go into conference. If they refuse to listen at all to President Wilson-or to the German proposals—they cannot but cause the neutrals to feel that the war, which is playing such terrible havoc with their world interests and local commerce, is being prolonged to their further detriment by the Allies. A refusal can only be interpreted as meaning that no matter what the Germans may be willing to concede, the Entente Powers would not be satisfied until they had utterly crushed the Central Empires, were in a position to dictate what terms they liked for the future peace of the We can well imagine how the astute German diplomatists would use such a confession in neutral and enemy coun-

Bluff or Earnest?

Several of my readers have expressed surprise that after having so steadfastly asserted in recent numbers that Peace talk was to be expected, I made, in my last issue, no reference to the important speech of the German Chancellor in the Reichstag when he announced the despatch of Peace proposals to the Allies. The reason is simple. My Progress was written on Sat-urday, December 9th, and the report of the Chancellor's speech was published in Melbourne on Thursday, December 14th, by which time copies of STEAD'S were being distributed all over the Commonwealth. There is a limit to intelligent anticipation! Some take the German move as a sign of weakness, others take it as a Some insist that the sign of strength. enemy proposals are an earnest attempt to bring an end to the war; others, again, that they are purely put forward for local consumption. There can, however, be no doubt whatever that, whether the proposals themselves are bluff or earnest, the making of them was an exceedingly clever move on the part of Germany. The German Government has always asserted that it took up arms to defend the Fatherland against those who had determined to shatter and annihilate the German nation, and the enemy statesmen point to Russian mobilisation as proof of this contention. The Allies, of course, regard such assertions as pure fabrications, but the neutrals may not, and German statesmen would certainly not fail to use for their own ends in neutral countries, a refusal by the Allies to even consider their peace proposals.

A Basis for Discussion.

Although no official word has come through concerning the German suggestions, and at this writing the reply of the Allies has not been sent, it is unofficially stated that Germany is prepared discuss Peace on the basis of the status quo ante bellum, with reservations concerning Poland and Lithuania, the Balkan boundaries to be settled by a special commission. A refusal to even consider the German suggestion would convince any doubtful Germans or Austrians that the Central Empires were in very truth fighting for their very existence, and that failure to put forth their utmost efforts would mean their disappearance as mighty nations from the map of Europe. The Teutonic peoples are no doubt entirely with the Chancellor when he said: "If our enemies refuse to stop the slaughter in order to continue their plans for our conquest and annihilation, every German heart will burn with sacred wrath. If our enemies refuse this reconciliation . . . we shall solemnly decline the responsibility before humanity and before history." By putting forward these Peace proposals the German Government has contrived, in the eyes of its own people, to throw the responsibility of the continuance of the war on the Allies. A clever move, and one which it will require a great deal of explanation to convince neutrals is quite insincere and merely a political dodge.

The Three Fundamentals.

Llovd George stated the attitude of the Allies towards the German proposals when. for the first time, he appeared in the House of Commons as Prime Minister on December 20th. He then set forth more definitely than has hitherto been done by any British Minister the terms on which we would accept Peace. Yet even he dealt mainly in generalities, and did not enter upon any explanation as to how the three fundamentals were to be secured. These are—(1) Complete restitution. (2) Full reparation. (3) Effectual guarantees. As a statement of the objects for which we are fighting, for which we are to go on struggling, and, on the strength of which we are to refuse to consider at all the German proposals, there is a lamentable lack of definiteness about Lloyd George's speech. It redounded in telling phrases, but it can hardly be regarded as a very statesmanlike effort. Perhaps the most cheering thing about it was that it did not definitely bang, bolt and bar the door against Peace negotiations.-According to unofficial reports from Germany, the Kaiser is willing to make complete restitution to Belgium, to France, and apparently full reparation also to Belgium, at any rate. Russia is committed to give Poland freedom, and Great Britain and France are pledged to see that the Poles get real self-government. The difference, then, so far as Poland is concerned, is whether the new kingdom is to be under Russian or German domination. A solution of that is not an insuperable difficulty, as the new State might be placed under a control neither Teutonic nor Muscovite. In fact, so far as numbers one and two of Lloyd George's speech are concerned, it would seem that some basis of settlement might be arrived at between the opposing groups of Powers. The difficulty would come over number three—guarantees. What exactly is meant by guarantees?



NEW FRENCH OBSERVATION BALLOON.

It is so constructed that it can remain absolutely steady even if a gale of wind is blowing

What of Constantinople?

Popular interpretation translates this somewhat nebulous word into a definite demand that Prussian militarism must be utterly destroyed, for only by its complete destruction can the peace of the world ever be made secure. It is well, perhaps, to briefly consider the Peace terms as disclosed by the British Prime Minister. They are chiefly remarkable for their omissions. There is no suggestion of huge war indemnities, no allusion to the dismemberment of Turkey, or the acquisition of German colonies. Nothing is said about the definite promise which Great Britain and France have made to Russia that she shall have Constantinople, or concerning the retrocession of Alsace-Lorraine to France. noise has been made about the economic war against the Central Empires, and the effect of the Paris resolutions, but Llovd George made no reference to this "war after war"; in his speech. These things presumably are not deemed of sufficient importance to stand in the way of the opening of Peace conversations unless all of them can be grouped under the single heading of guarantees.

Cuarantees.

I have always urged that if Peace proposals are made, whether secretly or publicly, they should be considered. They need not be accepted, but considered they should be. It is obviously incumbent upon the Allies to tell the neutrals definitely why they cannot accept the German proposals. and what they hope to achieve by further Lloyd George, whilst setting fighting. forth the general attitude of the Allies towards the German suggestions, leaves us and the neutrals still in the dark concerning the definite objects we hope to attain by continuing the strife. President Wilson urged the definite statement of their objects on both groups of belligerents, but thus far explicit details have been forthcoming from neither. There is, however, a general expression of opinion in Great Britain and Australia to the effect that the future Peace of the world can only be secured by the utter crushing of Germany, and only thus can the menace of Prussian militarism be overcome. Teutonic economic supremacy be destroyed. Therefore it is futile to talk of Peace at the present juncture, for to-day we would have to negotiate, and dictation only

will satisfy us. It does not, however, follow that this widely expressed view is that of the Allied leaders. Rather do their statements give the impression of preliminary fencing whose object is to induce their opponents to show their hands. As apparently it is only the third of Lloyd George's conditions which absolutely divides the combatants, it is well to endeavour to ascertain what is really meant by guaran-Does it mean the complete disarmament of Germany, the deposition of the Hohenzollern dynasty, the subdivision of Germany and Austria into small States, the cutting up of Turkey and the coercing of Bulgaria, or does it mean the severe limitation of enemy If behind the single merely? " guarantees " lurk the expressed desires of Allied publicists to eliminate the Teutonic nations, as peoples, off the face of Europe, then there can be no hope of Peace for a very long time. If, on the other hand, by guarantees is meant limitation of armaments and of military and naval competition, then Peace, and an early Peace, is possible.

To the Last Ditch.

There are those who have learned so little from the happenings of the last two and a-half years that they firmly believe that, when the Germans realise the iron determination of the Allies to fight on until the Teutonic peoples are utterly crushed, they will bow to the inevitable and sue humbly for peace on any terms. us try and put ourselves in their places and imagine how we would regard the matter, if, when we had put forward peace suggestions, we were told, in reply, that not until British navalism had been destroyed, the economic menace of Great Britain had been eliminated, would the Germans dream of talking Peace. Even if Germany appeared to be getting stronger whilst we were * reaching the end of our resources would we for a moment dream of suing for a peace which would only be granted on terms of the destruction of our fleet, the severe restriction of our external trade? Of course we would rather fight to the last man, to the last ditch, than give up what we regard as our sole defence against aggression, or agree to trade conditions which would permanently cripple us. We may take it that the Germans would also fight to the last man and to the last ditch rather than give up what they regard as their only defence against aggression, or agree to trade con-

ditions which would permanently cripple them.

The German Army and the British Navy.

We talk of Prussian militarism as if it were some excrescence on the German nation which could be cut or sloughed off with comparative ease. Actually, of course, this militarism is as much a part of the nation itself as navalism is of the people of Great Britain. We say that the British Navy is for defensive purposes only, whereas the German Army is a sinister weapon of offence to be used whenever opportunity permits. The German, however, is pleased to regard it as a weapon for defence against Russian or French aggression. It may be an utterly misguided impression, but that the German has it is quite obvious. Therefore he would regard its destruction in exactly the same way as we would regard the entire loss of our fleet, that is as absolutely fatal to our continued existence as a It is well to get that fundamental fact well into our heads when reflecting on the possibility of Peace. I have already shown the impracticability of the Paris resolutions, and need not therefore touch on the proposed economic isolation of Germany after the sword is sheathed, but that trade after the war will figure largely in the Peace Conference is certain.

Limitation of Armaments,

A good deal has been said recently concerning Great Britain's pre-war suggestions to Germany that there should be a halt in naval competition, but little reference is made to the fact that the proposals were to the effect that the proportion of two to one would be recognised, and that if we laid down two capital ships Germany should be satisfied with laying down one only, whilst no limitation of shipbuilding by France or Russia was suggested at all. German statesmen did not regard such proposals favourably, and the terrible armament race went on until in the year before Germany war was spending her navy to Great £,23,000,000 on Britain's £49,000,000; France's £25,000,000, and Russia's £26,000,000. It should not be impossible to limit armaments, providing there is a general limitation all round. But whilst Germany may be willing to give up all the territory she has conquered—in return for a free hand in Asia Minor-might agree to rebuild Belgium and Northern France, and forego all benefit from her occupation of Poland and

Lithuania, she would never, at the present stage, agree to reduce her army and limit its future size and equipment unless some similar reduction were made by the Allies There has already been a generally expressed desire on the part of the Allies to limit armaments after the war. Supposing Germany agreed to all suggestions for a mutual cessation of the armament race, what further guarantees would the Allies exact from her? Is there, in short, any way of securing the peace of the world in future save by reducing Germany to the rank of a third-rate power? Most people think there is not. Until Germany is completely crushed there can be no permanent tranquillity in Europe, say they. If that be really so—I am not one of those who take that view—let us review the prospects of bringing about that crushing which must be our goal.

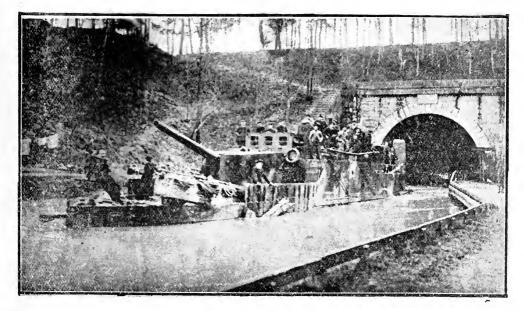
Twelve Months Ago-and To-day.

I would ask my readers in approaching this question not to be too much influenced by the comments and cables they see every day in the papers. I would indeed recommend, as an antidote to the impression created by current reports from Europe, a perusal of the newspapers of twelve months ago. In those days we were told a lot about famine in Germany, hunger riots, depletion of man-power, discord between the members of the Central Alliance, financial

collapse, the imminent break up of the Austrian Empire, the coming great spring offensive in the west, and so on and so forth. To-day we are told much the same. I do not suggest that what we are now being told is not true, all I am wishful to convey is that these statements are so similar to those with which we began 1916 that they offer rather cold comfort.

Nearer Victory, But-

When we look back over the year that has gone we have to admit that what was so confidently expected in December, 1915, had not materialised by December, 1916. but at the same time it is self-evident that our general position in Europe is far better than it was when the year began. Britain has trained a great army, her organisation must by now compare favourably with the German; American war munitions are pouring across the Atlantic; Japan and the United States have been arming Russia. On the other hand, Germany, having all along been so efficient, cannot now possibly exceed the Allies in efficiency to anything like the extent she did at first; her manpower must be decreasing, and the abstemious diet on which the people have been living must have had its effect in lowered vitality. We are certainly nearer victory than we were twelve months ago, but one searches in vain for any real indication that the German power of resistance has so



A CANAL DREADNOUGHT.

An armoured boat used in Northern France by the Allies.

dwindled that we can look for any sudden collapse. The year has proved the deadlock in the west to be a very real deadlock, the breaking of which can only be effected at great sacrifice. It is just possible that lack of men may compel the enemy to retire to a shorter front in the west, but it would be one they could defend for a very long time, and it would be one on the wrong side of the Rhine.

The Year's Chief Disappointment.

The great disappointment of the year has been the failure of Roumania. We expected so much from her incoming, and, instead of crippling the enemy, that incoming has made more sure the bridge between Austria and Turkey, has provided the foe with great supplies, and, above all, has enabled the astute Germans to avail themselves of the man-power of Bulgaria and Turkey to the full. The incoming of Roumania, in fact instead of making a further drain on the man-power of the Central peoples. gave them an opportunity of increasing the armies opposed to the Allies by the inclusion of Turks and Bulgarians who could otherwise not have been utilised against the Russians.

Sarrail and Greece

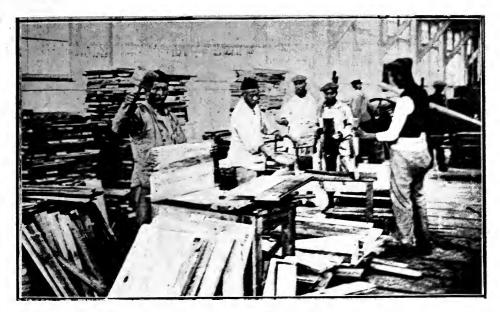
Presumably one of the reasons why Sarrail has done nothing whilst the Bulgarians, reinforced by the Turks, were smashing the Roumanians, was because of the unsatisfactory situation in Greece. Yet we have to remember that, after all, the maximum number of fighting men the Grecian King can put in the field is 300,000, and that during the Balkan wars, when the Hellenic peoples put forth tremendous efforts, their armies numbered only 200,000 soldiers. Further, it is absolutely certain that the impecunious Grecian Government has had neither the money nor the opportunity to secure the heavy ordnance and the machine guns, without which nowadays an army can do little, so that the danger from the Hellenic army would not seem to have been very great. The blockade of Greece has not been lifted, but it would seem that relations are somewhat better Rumours naturally moment. rife—Athens and the Islands contain the finest experts in the purveyance of false news—but apparently the Greek army is slowly being transported to Peloponnesus in conformity to the demands of the Allies. Admiral Gauchet has replaced Admiral du Fournier in command of the Allied fleet--- the latter officer having been responsible for the unfortunate happenings in Athens recently owing to having sent a weak instead of a strong force to the Grecian capital. The change has, thus far, not had any apparent effect, but Lloyd George has assured us that "very strong action" is now being taken in Greece. Presumably this action will result in the removal of all danger from the rear of Sarrail's army, but if he advances now his task will be immensely more difficult than it would have been before, or immediately after, Roumania got off the fence.

On the Russian Front.

The great Russian drive in Galicia died out before it had achieved any very notable success, and since the soldiers of the Tsar sat down before Halicz very little has been done by our powerful Ally. Her failure to come to the rescue of Roumania cannot possibly be due only to poverty of railroads and badness of roads. The will to help must have been there all right, but clearly enough the sudden halt in the Galician drive and the inability to save Roumania were both due to the same cause -lack of munitions. Presumably Japan and the United States are sending huge supplies across Siberia, but neither the Archangel route nor the new port of Alexandrovsk will be available for another four or five months. We may take it therefore that the Russians cannot create any important diversion in the eastern theatre before spring or early summer.

Italy Still Vulnerable.

The Italians have done very well indeed during the last twelve months. At one time it looked as if they were likely to sustain a knock-out blow, but a Russian drive and their own efforts enabled them to hurl the Austrians back into the Trentino, and they followed this achievement by the capture of Gorz, and an advance on the Corso plateau, which brought them within sight of their coveted goal of Trieste, where, however, they have stuck. obvious that as the Austrians still hold the Trentino, our Ally is as vulnerable to violent attack now as she was last June when the armies of Franz-Joseph thundered down on to the Venetian plain. Hindenburg is reported to have said that his next move will be to deal with Italy. he really has that intention, he will no doubt be able to find an army for the pur-



CHINAMEN IN FRENCH MUNITION WORKS.

The Germans Reach the Sereth.

I am so sure myself that peace is going to be seriously discussed that I do not care to touch on the possible course of the war during the next few months. I dealt with that to some extent in the December 16th number, and the situation now is much the same as it was then. During the last few weeks the course of events in Roumania has followed the line I suggested as inevitable, in view of the inability of the Roumanians to get the heavy guns necessary to oppose von Mackensen's ordnance. The enemy have continued to push steadily forward, and are now close to their goal—the Sereth River. Their advance in the Dobrudja has kept pace with that in Eastern Wallachia, and, about the time the Germans and Hungarians approached Braila from the west, the Bulgars and Turks were driving the last of the Russo-Roumanian army into the extreme north-west triangle of the Dobrudja. round which the Danube sweeps from Braila through Galatz to Tulcea, from which town it flows in many arms through a huge swampy delta to the Black Sea. Tulcea has been taken by the enemy; Macin, opposite Braila, is in their hands. It is probable that, at this writing, the last of the Allied troops have crossed the Danube to Galatz. Braila cannot be expected to hold out, but Galatz, being on the left bank of the Sereth, should be able to defy hostile attack. As, however, the Germans cannot get entire control of the Danube

whilst the Roumanians are in possession of this important river port it is not improbable that they will make a strong attempt against it. I explained last time why the Germans would probably push on to the Sereth rather than rest contented with the equally short line from Constanta through Buzeu to the Carpathians. They have now almost reached their goal.

Nivelle Succeeds Joffre.

Generalissimo Joffre has been created a Field-Marshal and made head of the-French War Council. He has, however, now ceased to direct active operations in the field, having been succeeded as Commander-in-Chief of the French armies by General Nivelle, who has done such splendid work at Verdun. The new leader signalled his appointment as Commander-in-Chief in France by a great victory against the Germans at Verdun. This is the second he has won on that historic, shell-shattered ground. At the end of October the French won Fleury, La Caillette, Thiaumont, and Fort Vaux. On the present occasion they attacked on the ten-kilometre front which extends from Thiaumont almost due west to the Meuse. They penetrated this line for two kilometres along the whole front, and took the hamlets of Vacherauville and Louvement—or, rather, the sites where these little villages had been-and also captured works at Hardaumont and Besonvaux. This push gave them 12,000 German

prisoners, and over a hundred big guns. The victory was a great one, and reflects the utmost credit on the French preparatory work and the dash of the troops. It demonstrates that the Allied artillery is now more than a match for the German, and it also shows the tremendous value of air command. The Germans, having lost that, and having, in consequence, no eyes aloft, were uncertain where the blow would fall, were compelled to hold their front trenches in force, and consequently, although the actual area regained was not large, the number of prisoners was relatively great.

A Notable Cain.

Optimistic cables stated that a further push like this would drive the Germans back to the positions they held before the battle of Verdun began, last February—to the positions, that is, they took up after the battle of the Marne. Many people take this to mean that General Nivelle, by this great effort, has practically cleared the enemy out of all the territory they captured at such great sacrifice early in the It is natural to read that into the cable, but, unfortunately, the French have thus far wrested back a comparatively small part of the ground won by the enemy. Yet the cable is not absolutely wrong—merely misleading. Another push would bring the French to the old German line-but at one spot only, north-west of Besonvaux. It was just there that the enemy battle front most nearly approached Verdun before the German Crown Prince began his great offensive on February 21st last. The German gains west of the Meuse remain in their hands, nor have the French yet pushed them out of the large block of territory they won in March and May between the St. Mihiel salient and Verdun. The enemy remain still in possession, too, of the ground which they captured due north of Verdun, between the Meuse and Haumont. It is difficult to estimate the exact area won back by the French, but it would seem to be about a tenth of that taken by the Germans between February 21st and May But this tenth is easily the most important tenth in the whole sector. cost the Germans more time, more men, and more shells to take it than to take all the rest. Its reoccupation by French troops removes finally all danger of Verdun ever falling into the hands of the foe. Then, too, the achievement must immensely hearten our Ally, and may, perhaps, strengthen M. Briand's Ministry. It does not, of course,

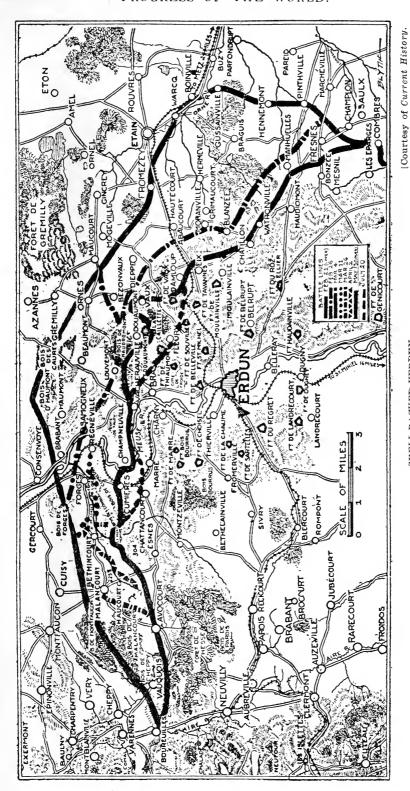
counterbalance the enemy successes in Roumania, but it does show that the German trenches are vulnerable to the new French guns, and demonstrates, too, that there is not now such terrific loss of life when the enemy lines are stormed, as was the case formerly.

Side Shows,

The Salonika expedition, the Mesopotamian campaign, and the Suez Canal advance are often referred to as side shows. It is pleasing to be able to chronicle substantial gains in two of them. Charles Monro was recently appointed Commander-in-Chief in India, and appears to have gone to the great Dependency with carte-blanche to continue or abandon the Mesopotamian venture. The Times of India points out that he, unlike any of his predecessors, went to Mesopotamia to see the situation for himself, and that loyal journal waxes indignant in describing the unbelievable bungling which characterised the conduct of the campaign which culminated in the disaster at Kut. It mentions incidentally that, had the Turks taken the advice of their German advisors, they would have allowed General Townshend to enter Bagdad, a place which he could never have held. Instead, however, the Turkish commander, Nun-ed-din, could not resist attacking at Ctesiphon, and Townshend and his force were enabled to escape down the river to Kut. doughty warrior, Sir Charles Monro, has evidently decided in favour of resuming the campaign, but he has insisted on the building of light railways and the provision of adequate river transport. If the expedition is numerous enough, and is properly supplied, as the last was not, we should succeed were before we failed. The objection that this campaign demands Indian and British soldiers, and occupies only Turks, has less weight to-day than it had twelve months ago, for the Turks are now being used in the Balkan theatre, and form an important addition to enemy armies. True, the Indians might go to Salonika, but apparently Sarrail has plenty of men wherewith to carry on his negative operations, the Turkish bluff against the Canal has been called, and by this process of elimination we are forced to the conclusion that the gallant Indians could be used nowhere better then in Mesopotamia.

Brilliant Work in Sinai's Desert.

When Kitchener visited the Suez Canal and saw its defences, he informed those



Shows the different German advances during five months' terrific fighting from February to July. The French have now retaken Fleury, La Caillette, Thiaumont, Fort Vaux, and have pushed their lines up to Besonvaux. SHELL-RACKED VERDUN

charged with the care of this important waterway that they were letting the Canal defend them instead of themselves defending the Canal, and bade them push their defences out into the desert. This they have been steadily doing, and, during the last few months, accounts of successful engagements have come over the cables, engagements which have taken place ever further and further away from the important The troops operating in the waterway. Sinai Peninsula include Australian and New Zealand mounted men, and these have been giving an excellent account of themselves. They took part in the capture of El Arish, a town on the coast road from Judea to Egypt, a hundred miles east of the Canal, and an important stronghold of the Turks A day or two later British troops captured Bir-el-Maghdabah, some fifteen miles southsouth-east of that spot. It is evident that the whole Sinai Peninsula is being systematically cleared of Turks, and this has necessitated the making of railways and roads running east from the Canal Turkish threats against the Canal have never been much more than a great bluff, but the waterway is now quite safe, even if a mighty army endeavoured to advance against it from Judea.

The Submarine Menace.

I have often dealt with the submarine menace, and shown how the sinking of so many cargo boats, whether British or neutral, must inevitably make more difficult the victualling of the United Kingdom. I am glad, therefore, to be able to quote from an article by Mr. Keith Murdoch on the subject, which appeared recently in the Sydney Sun and the Melbourne Herald. Mr. Murdoch has been writing some most informative articles on the situation, as he has found it in England, and in them he tells much that everyone ought to know. He

German submarines have established practically a blockade of Norwegian ports, lying in wait outside for steamers as they leave with Norway's food and merchandise for England. More than one-eighth of Norway's shipping has already been sunk. This strong campaign against Norway is more an effort to prevent munitions getting to Archangel than to attempt to cut Great Britain off from Norwegian food sources. Throughout the summer and autumn many big ships found their way to Archangel, and British metal and panitions have poured in to aid our Ally Germany would give many submarines—and has given many



GENERAL JOFFRE INSPECTS FRENCH TRENCHES ON THE SOMME FRONT.

vainly already—to stop this traffic. So stormy and troubled is the sea between Archangel and Britain that the journey frequently takes three months. At best it is a slow and tortuous road; and even into the Arctic seas the munition-laden tramp has to maintain its fight with unseen submarines, for these adventurous under-water warships brave ice and rocks in their quest. To reach the entrance to the White Sea they have to travel more than 1800 miles. . . They pass through ill-charted waters and endure temperatures which affect their engines and freeze the blood of their crews. . . They play a great gamble, and carry it through with true audacity.

No country is better able than Australia to realise the seriousness of the German submarine campaign, for although our seas are still safe, our primary produce is left on our shores because of the sinking of more than 2,000,000 tons of British shipping. . . The menace is becoming more serious because of the institution of Germany's policy of "distant blockade." This means the sending of submarines to neutral ports, such as New York, where they lay in wait outside the three-mile limit for well-filled British ships commencing their of vessels lost is increasing daily in proportion to the whole, and the price of food continues to mount in the British Isles. Despite the ingenious resources of the Admiralty, the enemy is eating his way into our available shipping. For a time we were turning out of our dockyards more than his daily quota of gains, but recently he has been more successful, and he promises that when his new supplies of standardised submersibles are available he will create a famine in this country. We have reached out, according to the Board of Trade, in every way possible to secure neutral shipping. than 50 per cent. of the neutral shipping of the world is in our hands.

This fact explains why so many neutral ships have recently figured in the lists of U boat victims. The best defence against submarines, says Mr. Murdoch, is gunnery, and he deplores the fact that the demands of the navy for extra guns have been subordinated to those of the army for increased supplies of artillery.

Whether the submarine menace which so gravely affects army supplies will now convince the War Committee of the necessity of giving greater freedom to the Admiralty remains to be seen.

War Finance.

Mr. Bonar Law had no sooner taken Mr. McKenna's place as Chancellor of the Exchequer than he made the amazing announcement that the war was costing Great Britain the gigantic sum of £5,710,000 a day. This is almost a million in excess of the last estimate given by Mr. McKenna. Mr. Law said that the total vote for the finan-

cial year was £,1,950,000,000, no less than £,350,000,000 more than the estimate. Obviously, now that we have a great army in the field, expenses will continue to increase, and the £,6,000,000 per day mark will be quickly passed. In fact, it would not be far out to reckon that the average of the next financial year would be £,45,000.000 a week, or the almost unbelievable amount of £2,340,000,000 during the next twelve months! To date the votes of credit have totalled no less than £3,852.000,000. We may take it therefore that, if the war continues until December, 1917, it will have involved Great Britain in an expenditure of quite £6.250,000,000. The interest alone on this colossal sum would, at 5 per cent., be £312,500.000 per annum; to this would have to be added the sinking fund. Some of that will be recoverable from the Dominions, Russia, Italy, Belgium, and Serbia, but the great bulk will have to be obtained from the British taxpayer. The mounting price of metals, coal, wheat, and other necessaries forces the British Government to spend large and ever larger sums abroad. Under these circumstances it is not surprising to find that the British Treasury is endeavouring, wherever possible, to raise loans in neutral countries wherewith to pay for purchases there. Obviously the country wealthy enough to oblige Great Britain and the Allies in this way is in clover, but countries which are not sufficiently peopled to raise internal loans to pay for their own produce are inevitably forced into a position where they must insist on settlement in gold.

Finding Money.

The year before the war Great Britain purchased £137,000,000 worth of food from neutrals and £100,000,000 worth of raw materials, and from Russia and enemy countries £37,000,000 of food stuffs and £,29,000,000 of raw material. Not only has the price of commodities gone up, in some cases over 100 per cent., but far greater supplies of materials for munition making have been required. It would probably not be an overstatement to write down the value of British purchases abroadapart from munitions—at £500,000,000 per annum. What the value of the munitions got from the United States and Japan comes to it is impossible to say, but the Russian requirements must be included, as Great Britain is "carrying" Russia in this matter. In ordinary times the imports are paid for by exports, by freight charges, and

by interest on loans and the like. Exports are down, of course, freights are being largely paid by the Government, and giltedged stock of neutrals has been deposited as collateral in the United States. intensely interesting to follow the financial movements at the present moment. Though here in Australia we can see but dimly what is going on, it is obvious that there is now raging a titanic battle of financial magnates and institutions who fight first of all for their own hands, and next for whatever country they happen to be connected with. That this noiseless and almost unseen struggle is having an immense influence on the more noisy and brutal strife in the trenches must be everywhere recognised. Mr. Bonar Law said, when giving out the particulars concerning the tremendous daily cost, "Financially we cannot hope to continue indefinitely on the present scale, but we can go on long enough not to fail to secure victory through financial causes." This is, I believe, the first official suggestion that we were not financially able to go on for any number of years.

The £60,000,000 French Loan.

The announcements, in the American papers concerning the recent loans, or rather credits, which have been arranged in the United States for the Allies, make the most interesting reading. Perhaps of them all about the last French loan of £60,000,000 is best worth perusing. Securities worth £72,000,000 were deposited as collateral, amongst these were Suez Canal shares, and although the loan carried only about 6 per cent., it is issued on the present basis of French exchange. If, after the war, the French franc quickly recovers and is again at par those who have invested in this particular loan will get 30 per cent. more money back than they put in, above and beyond the 6 per cent. they drew during the currency of the loan! Great Britain has not raised an internal loan for a long time, but is financing herself on short dated Treasury Bills, which, for the most part, carry 6 per cent. interest. Of these there were on October 31st £1,082,808.000 outstanding. On the same date there had been issued £137,188,000 notes against which coin and bullion to the value of £,28,500,000 was deposited, or 20.8 per cent., as against 22.6 per cent on July 31st. The English financial papers contain advertisements of the National Debt Office, asking owners of certain securities to deposit them with the Lords Commissioners of the Treasury. Amongst the securities so advertised it is interesting to find Chilian and Argentine railway bonds, although Chilian Government Loans are apparently only now being taken up. Much of the Argentine Government securities are apparently already in the vaults of the Mortgage and Trust Company, which stores such things for the powerful American banks.

The New British Government.

Llovd George took some little time to form his new Government, and when the members were announced it appeared that he had made his selection almost exclusively from the ranks of the Unionists and Labourites, few Liberals having been given high office. In the War Cabinet of six members two are Liberals, if Lloyd George can now be so designated. In the thirtythree members of the Government only ten are Liberals, and two of these—the Prime Minister and Lord Derby—would hardly be regarded as belonging any longer to the official Liberal party. Of the eight remaining, only three hold high office-Dr. Addison (Minister of Munitions), Mr. Illingworth (Postmaster-General), and Lord Wimbourne (Lord-Lieutenant of Ireland). The Unionists have received all the chief Secretaryships-Bonar Law, Chancellor of the Exchequer; A. J. Balfour, Minister of Foreign Affairs; Walter Long, Secretary for the Colonies; Sir Edward Carson, First Lord of the Admiralty; Lord Robert Cecil, Minister in Charge of Blockade; Sir F. E. Smith, Attorney-General; Mr. Duke, Secretary for Ireland; Sir Robert Finlay, Lord Chancellor; and Lord Curzon and Lord Milner, members of the War Cabinet. Labour men figure largely—Mr. Henderson, member of the War Cabinet; Mr. Hodge, Minister of Labour; Mr. Barnes, Minister of Pensions; but of the great Liberals, not one has been appointed by Mr. Lloyd George. It therefore seems certain that the new Prime Minister will have to rely upon the Unionists, the Labour party, and the anti-Asquith Liberals for support. Liberal party, evidently, will be in opposition, but a most sympathetic opposition, and with it will be allied the Irish Nationalists, whose opposition, Carson being in the Cabinet, is not likely to be quite so friendly. There are in the House of Commons 288 Unionists, and 42 Labour men, 256 Liberals and 84 Nationalists. It is plain, therefore, that if it came to a sharp division between the new Government and

the Liberals it would depend altogether upon how many of the latter supported Mr. Lloyd George as to whether he could escape defeat or not.

The War Cabinet.

The inclusion of Lord Curzon and Lord Milner in the new body which has taken the place of the defunct War Council makes it certain that these two men of strong individuality will largely control the conduct of the war. Lloyd George has added himself to this inner Cabinet, although his refusal to agree to the late Prime Minister being on it precipitated the crisis which has placed the brilliant Welshman in power. He objected to Mr. Asquith being a member of the reduced War Council on the ground that a Prime Minister had too much else to do, and could not, therefore, spare time to attend War Council sittings every day. Mr. Asquith naturally refused to efface himself to consent to remain head of a Government and not be a party to the decisions of the War Council, which, to all intents and purposes, would be running the country and the war. Curzon and Milner are both great pro-Consuls, and both have wide knowledge of international affairs. Lord Curzon has had personal experience of Levantine and Eastern politics, and should handle the Balkan situation far more understandingly than did Viscount Grey: Lord Milner is an entirely different type of man. His newspaper training under Mr. W. T. Stead, his financial training under Mr. Goschen, his experience in Egypt, and as chairman of the Board of Inland Revenue, his High Commissionership of South Africa during the trying times of the Boer war and after, admirably fit him for the tremendous task he has undertaken.

The Triumvirate.

There can be no doubt that the destinies of Great Britain have now been entrusted to the triumvirate, Lloyd George, Lord Milner, and Lord Curzon, for neither Mr. Bonar Law, Mr. Arthur Henderson, nor Mr. J. H. Lewis count compared to the other three. Mr. Bonar Law is a member of the War Cabinet because he is the official leader of the Unionists in the United Kingdom. Mr. Henderson is in it because he officially represents the great labour unions and the workers of Great Britain. Curzon and Milner are in it because—they are Curzon and Milner! It is an interesting combination, the somewhat supercilious Irishman, the impulsive Welshman, and

the phlegmatic Englishman—perhaps they may make an ideal combination; time will Curzon was not at all a popular person with his colleagues, either in the House of Commons, when he graced that Chamber, or in the Upper House after he got himself elected as one of the Irish life Peers. Despite his superior air, though, he is a man of sterling ability, and both he and Lord Milner will bring fresh and unjaded minds to bear upon the problems of the war. The danger, of course, is that. having been put in charge to do something, they may proceed to justify their selection somewhat recklessly. There is, perhaps, not much cause for such fear, but there is certainly reason to anticipate that Sir Edward Carson and Admiral Beatty will do their best to meet the demand of the Harmsworth Press that Zeebrugge shall be destroyed—that the "rats" shall be dug out. Unfortunately, it is very difficult to see how the navy can do anything more than it is already doing without risk out of all proportion to the possible gains.

An Imperial War Conference.

The British Government has invited the Prime Ministers of all the self-governing Dominions to a special War Conference, to be held in London in February. India is to be represented, and it is to be hoped that, as a result, the position of Indians throughout the Empire will be definitely cleared up. The chief matter of interest here is whether Mr. Hughes will go home to represent the Commonwealth or not. He is going to answer that question three days hence, but has thus far given no sign. It may be safely assumed though that he will go. The thing that matters—and matters because of the future reorganisation of the Empire—is that someone or other should officially represent each Dominion in the Councils of the Empire during a critical time like the present.

A Coalition-or What?

On this occasion the Prime Minister will not go as William Morris Hughes, the great exponent of an economic war after the war, but as the representative of a great Dominion, who will have to take his instructions from the representatives of the Commonwealth, cannot gang his ain gait. That being the case, as he happens to be Prime Minister, he is the right person to go to London. Whether he ever comes back again is a matter of speculation, but hardly of interest. It is of little consequence

one way or the other. During his absence, however, or at any rate until the next election, he will have to make some sort of arrangement for the carrying on of the The Official Labour affairs of the State. Party, thanks to its control of the Senate, and the control of the Senate has taken of Supply, largely controls the situation. Its members are obviously anxious to force the section, led by Mr. Hughes, to coalesce with the Liberals, for they know the fate that awaits coalitions at the hands of the electors. The majority of the Liberals are not adverse to sharing the responsibility of Government with the section, but those from New South Wales are strongly opposedthey do not for some reason appear to trust Mr. Hughes. However, ere these lines appear the matter will have been settled in some way or other.

The Senate Takes Charge.

The Official Labour Party showed its hand when the Government asked for three months' supply. The Bill duly passed the Lower House, with the help of the Liberals, but the Senators reduced the amount asked for by a month's supply, and sent the Bill thus mutilated back to the House of Representatives. Mr. Hughes refused to agree to the Senate's amendment, and the Bill was once more sent to the Upper House in its original form. Again the Senators agreed to only two months' supply, and, on Bill, as amended, again going back to the Representatives, the Government backed down and the Official Labour Party scored a palpable victory. The Labour Senators took this stand because they asserted, and rightly asserted, that Parliament ought to be in session whilst so many matters connected with the war have to be settled, and by granting only two months' supply instead of three they forced the Government to call Parliament together in February instead of in March The Government offered 10 or April. undertake to summon Parliament on or before February 28th, if the Senate would agree to three months' supply, but on the principle that a bird in the hand is worth two in the bush, Labour Senators would have nothing to do with the Prime Minister's promises, preferring to rely upon their own methods of making perfectly certain that Parliament would reassemble in February. The Official Labour members are quite well aware that the only brake they can put on Mr. Hughes and his colleagues, the only centrol they have over public affairs, is

through Parliament. When Parliament is not sitting, the Government, which in this case is the Prime Minister, is absolutely allpowerful. No matter that it is in office solely on sufferance, once Parliament is not sitting it can, thanks to the War Precautions Act, do whatever it pleases. Hence the absolute determination of the Labour members to compel its constant sitting. Only thus can they hope to exercise any control over Mr. Hughes. It was their intention to grant supply in future for a month only at a time, but, if Mr. Hughes goes home, and the reins of Government are taken by someone towards whom their feelings are less bitter, they would probably grant supply for six months or even more.

NEW ZEALAND NOTES.

DECEMBER 13, 1916.

We are reaping the first fruits of conscription, and the experience is not just what some supporters of the change expected. The most ardent admirer of the voluntary system could hardly contend that it was perfect. But that large body of the public which clamoured for conscription, and saw in it an end of all inequality, is being disillusioned. Anti-voluntarists saw in conscription a system which placed the burden of fighting on all fit men within a certain age. Practice is showing that very numerous exemptions are necessary, and as time goes on these exemptions are certain to increase. So that conscription does not satisfy those people who have devoted so much oral energy to chasing "shirkers."

And that reminds me that our experience with the so-called "shirker" is also interesting. Almost everyone knew families of three or more—sometimes the "shirking families" reached fabulous proportions. Here again the test has brought disillusion-The official dictum is that the number of "family shirkers" has been over-estimated. And this, after Parliament inserted a special clause in the Military Service Act to catch this class of man. of the Military Service Boards visited a town the other day to hear appeals from this class. Eleven men had been called under the "family shirker" clause. of the eleven came under the section. others were quite outside its provisions.

Some 4000 men were chosen by the first ballot. These are in addition to the "family shirkers." It is estimated that

3000 appeals have been lodged. At present there are four Military Service Boards to hear these appeals. The arrangements are chaotic. Men are coming before the Appeal Boards in an endeavour to gain exemption. As some of them will certainly be classed unfit it is amazing that the authorities did not arrange for the medical examination prior to the hearing by the Appeal Board Chaos is written large on the experiment so far.

On top of the bungling there is surely a growing public opinion against conscription. What its volume is no one knows. it is growing is certain. Labour is restive and threatens direct opposition. A conference of Labour bodies will be held next week to consider the matter. The Government has issued most drastic War Regulations, making "sedition and seditious intention" the most-easily committed crime in our calendar. Almost anything, including criticism of the Government, constitutes "sedition." Looking at the whole matter in the most coldly impartial manner it would seem that, provided Australia gets a fair quota of recruits, her verdict against conscription was very real wisdom.

Means are at present under consideration to prevent the unnecessary financial embarrassment of conscripted soldiers and their dependants. It is being shown that the conscripted men in several cases would have volunteered if they could have seen financial daylight. Now we are forcing them to the front, and it is suggested that the State must shoulder the big financial burdens of these men. The Government has not yet made its proposals known, but something must be done quickly.

The question whether Australian flour is to be admitted duty free is a very live one a. I write. Flour has jumped by several successive half-sovereigns in the past few weeks, and the Board of Trade recommended the free admission of Australian flour. The Government appeared favourable, but an agitation has now been set afoot against the proposal. The outcome none knoweth.

We have had another haggle with the Imperial authorities—this time over the price of wool. The people at home must ere now be abundantly convinced of our love of a good bargain. And we have got a good bargain in all our negotiations, whether it be for cheese or meat or wool. Certainly we suffered a set-back in the matter of cheese—and we richly deserved it —when some of the Australian States offered to sell to the home authorities at a price which we refused. Whether it be because or in spite of the war, opinions differ, the primary producers are doing remarkably well.

THE TURNING OF THE WORM.

The Senate recently refused to ratify a statutory rule which made it an offence to publish, sell or distribute any printed matter relating to the war which had not first been submitted to the censor. This action of the Upper House was no doubt the first intimation many folk had that what they finally read in the papers and journals of Australia was not the unrestricted comment of a free press, but had been duly edited by the censor for their consumption. With a lovalty which, under the circumstances, is as remarkable as commendable, pressmen and publishers have carried out, without murmur, all the instructions given them by the censor's office, and have duly omitted all copy scored through with his red pencil.

Many a time and oft it was utterly impossible to reconcile these deletions with the ostensible object for which the censorship had been set up, namely, the prevention of the purveying of news to the enemy which might be of benefit to him; yet, in order that this object should be attained, even though purely local political happenings were censored. no word of complaint appeared in print. At long last, though, even the loyal, long-suffering journalist had the final straw laid on his back in the shape of a direct prohibition which caused the two morning dailies in Melbourne to deliver themselves as follows:—

"Censoring in war time is necessary to prevent news reaching the enemy which he may turn to his advantage, and in a certain measure it is necessary to prevent statements being published which may cause disquietude among our own people. Within those limits, it is accepted willingly by the conductors of all reputable journals, and so long as the censor keeps within them no one

should or would complain of his actions. But we regret to say that in Australia the censor-presumably under direction-has frequently prohibited the publication of news of a distinctly political character, and having not the most remote connection with war operations. Several instances might be quoted, but just as we have been forbidden to give the news, so are we forbidden to specify the case in which the authority of the censor has been improperly exercised. A recent prohibition, however, calls for emphatic protest on our part. A very important communication reached us, and, so far as we know, also reached all the newspapers in Australia, but, because it did not suit the convenience of certain politicians that it should be published, we were all prevented from giving it to our readers. It is intolerable that such a position should have arisen, and we do not hesitate to say that the misuse of power of which we complain is discreditable to the person who is responsible, whoever he may be."—The Argus, December 28th, 1916.

"The Commonwealth system of military censorship is costing the people of Australia substantially more than £30,000 per annum. The sole justification for this large expenditure rests on the hypothesis that the service prevents news of military importance reaching the enemy. While the war lasts we must assume that the censorship is an essential part of our machinery of national defence. Considered as part of our military and naval machinery, it is not legally amenable to criticism, and we do not desire to criticise its proper functions or its cost. But what if the system be used for political purposes as well as for military ends? Would not such a fact, if it could be demonstrated, entitle the Australian people to demand that the expenditure should be reduced to meet only the legitimate needs of defence? We publish in another column of to-day's issue the text of the official invitation from the Imperial Government to Mr. Hughes to attend the Imperial Conference. formation reached us two days ago. It had ere then been published in Great Britain and issued broadcast to the world. Australian Press, however, was definitely forbidden by the censor to make it known to Australian citizens. Wherein consisted a military reason for this curious promontion? The Imperial invitation is destitute of any save a purely political significance. There is nought in it that could possibly affect the conduct of the war on land or sea. Furthermore, it is a matter of practical certainty that Germany received the news before it reached the Commonwealth—to be capriciously suppressed here—and that Germany was permitted to receive the news by Britain.

"Inasmuch as the Australian censor acted deliberately, and in pursuance of deliberate political instructions, it is now obvious that the censorship system has a dual character and pursues two separate objectives. It is used in part to prevent news of military importance reaching the enemy; and it is used in part to prevent news of political importance reaching the Australian people. The firstnamed use is legitimate, and authorised both by custom and statute. The second use is both illegitimate and immoral. It is immoral because the machinery of censorship was created exclusively for military purposes, whence it follows that its diversion to any other use must involve a proportionate misappropriation of the money voted to maintain the system. The question necessarily arises: Out of how much money is the public being cheated? We have given one illustration of an absolutely improper use of the machinery of censorship. How many others would a strict inquiry bring to light? The Government should be warned. The Australian people have rights that cannot be abrogated with impunity. They are perfectly willing to endure the burden of a proper censorship, but they are not servile enough to tolerate being taxed to support a censorship which is unwarrantably utilised to deprive them of news that should not be withheld from them-in the political interests of the Government. If order is not promptly made of this abuse the whole system is like to be swept away in a storm of public indignation. An authority that is for good reason despised by the democracy is not an authority that can be long enforced—even in the service of useful and valid aims."—The Age, December 29th,

This was certainly a most flagrant case, and, as *The Age* very truly says, is but one illustration. How many others would enquiry bring to light?



HISTORY IN CARICATURE.

Oh, wad some Power the giftie gie us.

To see oursels as ithers see us.—Burns.

Naturally the cartoon papers have nothing upon the only question which now interests us—that of peace. Yet, for all that, they are curiously topical, despite the fact that many are more than two months old. Greece has for much longer than that vexed the councils of the Allies, and most of the caricatures which have reached us this week deal with the troubles of that unquiet land.

It was generally assumed two or three months ago, when Roumania slipped off the fence, that Greece could not but follow suit. As it happened, however, King Constantine had a truer appreciation of the strength of the Central Powers than most men, and

managed to keep his country out of the war vortex for the time being.

The American pictures about Greece are, on the whole, the best, for they are not hampered and spoilt by the bitterness shown in many of those of the *Entente* Powers. An exception to these is that of Mac., in *The Cape Times*, shown on this page.

Of them all, though, that appearing in the Grecian Hellas best hits off the actual situation. The traversity of Phil. May's famous sketch, which appears in The Passing Show, fails entirely to give the true position.

The German papers are not bitter against Greece as are ours, but they lose no opportunity of showing the Allies trampling on



Cape Times.]

[Cape Town.

A SLIGHT DIFFERENCE.

THE KAISER: "I can't come over while that dog

KING CONSTANTINE: "I dare say; but I don't quite know whether the dog is with me, or whether I'm with the dog."



Evening Ledger.] [Philadelphia. GREECE PREPARING TO GO IN. "What must be, must!"



Evening Telegram. J
"THE SIRENS."



Hellas.] [Athens.

A Greek cartoon showing Greece as a plaything in the hands of Mars.



Kladderadatsch.]

[Berlin.

[New York.

DISMEMBERED GREECE.

THE ENTENTE BROTHERS: "That you do not help us is scandalous."

THE GREEK TORSO: "How can I? Why you have actually shorn off my arms!"

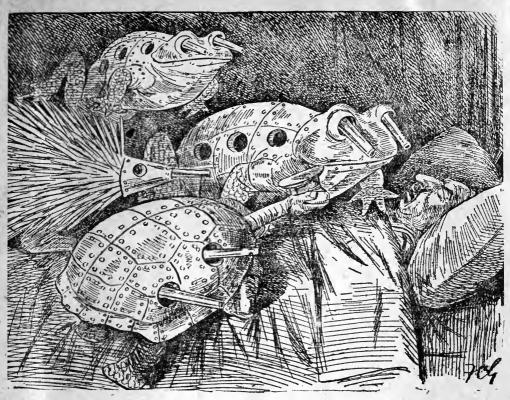


Passing Show.

[London.

REGAL DIGNITY.

Constantine (to Venizelos): "No, I will not come out! I tell you once and for all, my dear, I will be master in my own house!"



Westminster Gazette.]

A NIGHTMARE.

[London.

Grecian rights, invading Grecian neutrality, and the like.

The cartoon in *The Listok* is hardly the sort of thing one would expect to find in a Russian paper, as the application either way is so obvious.

It is interesting to note that the Montreal Star, in its Neutrality cartoon, shows

Sweden and Spain with both legs already on the wrong side of the fence. We are very fond of showing Germany coercing and cajolling the poor neutrals, and the German papers are not slow to retaliate on us in like manner.

The Lukomorye, a paper published in Petrograd, suggests that the great flood of



Listok.]

THE NEUTRALITY OF GREECE.

[Odessa.

Preferring neutrality to yielding to the entreaties of Ferdinand of Bulgaria, Greece now finds herself overrun by the warlike forces of the Central Powers.



The Bulletin.]

WAITING.
Billy: "No cable yet? Strange!"

[Sydney.



Lukomorye.] [Petrograd.
THE GREAT FLOOD.
". . . And the blood poured for 731 days and 731 nights. . . ."

war will soon overwhelm the Central Powers whilst the Allied Ark floats bravely on.

There have been a quite fine series of caricatures devoted to the Tanks, which, by the way, were marvellously forecasted by H. G. Wells some twelve years ago, when



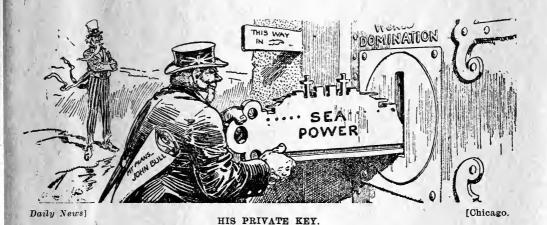
Daily Star.] [Montreal.

"AND THEN THERE WERE SEVEN."

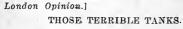
The European "Little Injuns"—Will there be any left?

he told, in a brilliant story about the "Bloch" war of the future. If our experts had not time to read Bloch, who so accurately foretold what modern war would be, they might at least have glanced through Wells' interesting tale, and have learned lessons thereby!

The Austrian arm, reinforced by the might of Germany, appears to have stood the test depicted in *The Evening Post* only too well.







THE KAISER (to his Professor of Frightfulness): "These dastardly British tanks outrage all the decencies of civilised warfare. Why haven't we got some?"



Evening Post.] [Chicago. THE TEST. Can Austria keep the Russian Bear out?



De Telegraaf.] [Amsterdam.

THE "TANKS."



Kladderadatsch.] [Both THE AMERICAN ROLE. /

Wilson, at his nomination in New Jersey, explained his foreign politics: "We are about to play a great rôle in the world, whether we will or no."

SIR EDWARD CARSON.

By Alfred G. GARDINER.*

Just as in the Golden Age we knew that there were good and bad fairies, so when we come out of dreamland we know that there are good and bad heroes. There is even a bad hero in "Paradise Lost." Brougham was so captured by his courage that he said he was sorry he did not win. That sympathy with reckless adventure, divorced from moral considerations, is a very human trait. There is no shorter cut to the idolatry of men than by the path of courage, let the motives be good or bad.

Now, whether Sir Edward Carson is a good or bad hero I leave for the moment. But that there is the quality of heroism about him is undeniable. Without him the cause of Ulster would be contemptible; with him it is almost formidable. His figure emerges from the battle with a certain sinister distinction and loneliness. He is fighting for a bad cause that is in full flight, but he is fighting as men fight who count nothing of the cost. The dawn is up in Ireland, but he will not yield to it. He prefers to go down with the darkness.

If you would understand the Irish question you must understand Sir Edward Carson. Few Englishmen do understand him, Generally speaking, he is dismissed under one of two categories. In this he is simply an Old Bailey lawyer with a brief; in that he is a patriot ready to die in the last ditch for his country. He is neither. His sincerity is the sincerity of the fanatic, but his passion is not the passion of patriotism, for he has no country. He has only a caste. He does not fight for Ireland; he does not even fight for Ulster; he fights for a Manchu dynasty. But to doubt his earnestness is to make a fundamental miscalculation. It is true that his record led even Mr. J. M. Robertson to doubt whether Unionism was not adopted by him as a policy of expediency.

The charge emerged out of the famous "turncoat" incident. "There is nothing," said Sir Edward, with his customary coarseness, apropos of Mr. Churchill's visit to Belfast—"there is nothing that the men of the North of Ireland hate more than a turncoat, whoever it be, T. W. Russell or

Winston Churchill." "What about Sir Edward Carson himself?" asked Mr. Hamar Greenwood in *The Times* next day. "He was once a Liberal and a member of the National Liberal Club." It was a palpable hit, but when Sir Edward retorted, "On the day that first Home Rule Bill was introduced I telegraphed to the National Liberal Club to take my name off the roll of members," it seemed that the victory was his. Mr. Greenwood, however, had the curiosity to go to the records of the National Liberal Club, with disastrous results for Sir Edward. For the records showed that he was elected a member two months after the Home Rule Bill was introduced, and that he did not resign until fifteen months later, on October 21, 1887.

In the meantime he had become the Judge Jeffreys of the great reaction, "Twenty years of resolute government," was Salisbury's grim prescription after the defeat of the Home Rule Bill; not freedom, but a gaol. He sent his nephew to direct the campaign, and the sword of vengeance was put in the hand of the young Dublin barrister. Ireland has always been a generous land to those lawyers who have been willing to serve the Castle. "1reland may be a poor country, but it's a rich country, to sell," said an Irish judge, who owed his own success to selling his country. Lecky's pages illuminate the saying. "Twentythree practising barristers," he says, "voted for the Union in the House of Commons in 1800. In 1803 six of them were on the Bench, while eight others had received high honours under the Crown. Thirty-five barristers voted for the Union (166 against) at the bar debate in 1799. In 1803 not more than five of them were unrewarded." What a squalid tale it is!

But though Mr. Carson profited like many a hungry lawyer by his loyalty to the Castle, though he swept through the country as the Crown Prosecutor and imprisoned a score or more of Irish members for daring to address their constituents, though he was promptly rewarded for his services by being appointed Solicitor-General to Ireland—in spite of all this it is not, I think, true that he adopted the cause of Ulster as a matter of expediency. It is

^{*}Written just before the war.

the breath of his nostrils, the fire in his blood. It transforms him into a Torquemada. It makes him shed tears—real tears—on the platform. It makes him talk treason, set up a provisional government to defy the Crown, and utter wild threats about marching from Belfast to Cork. It makes him put himself deliberately out of the running for the highest office in the State to which he might have aspired. It is not expediency which works this miracle. Good or bad, it is something deeper than that.

In most men there is an ultimate passion that is capable of transfiguring them. Awaken it and you have a hero, "ready to do battle for an egg or die for an idea," in the fine phrase of Stevenson. It may be the child of an ancient prejudice, or of a new theory, or of a cherished faith. Lord George Hamilton sat in the House of Commons for a quarter of a century, a model of blameless mediocrity. Like the northern farmer, he just "said what he ought to ha' said and coomd'd awaav." It seemed that he would go to his grave without giving the world a moment's interest or concern. Then the Fiscal issue arose. It touched the springs of reality in him. He rose in stature as if by magic. He made speeches which still ring amongst the most convincing and profoundly felt statements of the case for Free Trade. He relinquished office-he, who had seemed but a limpet of office. He went out of public life. The issue had found him a mere party echo -it left him a hero. It is fine to think that in the vague hinterlands of most of us there is this latent passion for something for which we are ready to die if the call comes—this latent heroism, to balance, perhaps subdue, that darker possibility that also sleeps or wakes within us.

Now I can imagine no head around which an aureole would look more ridiculous than Sir Edward Carson's. He is the very perfect knight not of the Round Table, but of the Bar mess, learned in the crooked ways of men, cynical, abounding in animal spirits, loving equally a joke or a row, with something of the gay swagger as well as the brogue of the squireen of the West—a man of the type who takes his meat red and his wine without water. An ideal would wither in his presence. Even Joseph Surface would not have tried a "sentiment" on him, and a poet before him would be dumb—hypnotised like a rabbit before a python.

There is something in the mere presence of the man that is shattering and masterful.

The retreating forehead, with the black, well-oiled hair brushed close to the crown, the long, hatchet face, the heavy-lidded eyes, at once dreamy and merciless, the droop of the mouth, the challenging thrust of the under-lip, the heavy jaw—all proclaim the man capable de tout et pire. He might pass for a Sioux chief who had left his scalps at home, or for an actor who plays the bold, bad baron, or for a member of another and still more strenuous profession.

A barrister, said Carlyle, is a loaded blunderbuss; if you hire it, you blow out the other man's brains; if he hires it he blows out yours. Sir Edward Carson is the most formidable blunderbuss to be found in the Temple. He is one of those men who always have easy cases. With a weak man on the bench he simply walks over the course. It is so much easier for a judge to agree with him than to differ from him-so much pleasanter, and after all, does not the maxim tell us to let sleeping dogs lie? "Live pleasant," says Burke, and the old judge nodding on the bench and smiling down at Sir Edward, finds himself in entire agreement with Burke. In these circumstances the great advocate is graciousness itself. He is sweet and kindly even to the poor plaintiff who sees all his hopes vanishing before some magic solvent. Vainly his counsel wrestles with this intangible influence. He advances his most powerful line of attack. Sir Edward gently drums his fingers on the table and murmurs, "My Lord, I must object." And the Court holds its breath, as if there is thunder in the air. But the judge averts the storm and nods a nod of profound conviction. It is all a delightful comedy, and everyone goes away happy except the poor plaintiff, who takes a walk on the Embankment and thinks with some bitterness of Lord Halsbury. Perhaps he looks at the water. But if the judge is of harder metal then the note is changed. He must blow the plaintiff to pieces himself; he must overawe the jury himself. Then who so ruthless as he, who so artful in playing upon the political string, who so subtle in suggesting hidden motives? The heavy, vibrant voice fills the Court, the blows fall with a ruthless crash, all the resources of his dominating personality are brought into play to stampede the silent men in the box.

He has the gaiety of high animal spirits and the rough wit of the street. 'Ar-re ye a teetotaller?' he asks of the bottlenosed man in the witness-box. "No, I'm not," says the bottle-nosed man with re-sentment. "Ar-re ye a modtherate dhrinker?" No answer. "Should I be roight if I called ye a heavy dhrinker?" "That's my business," says the bottle-nosed man stiffly. "An-ny other busi-ness?" It is the knock-out blow of the sparrer who plays lightly with a poor antagonist and sends him spinning with a scornful flick of the finger. But when he is engaged with more formidable foes his methods are coarser. No one in politics has a rougher tongue than he or uses it more freely. "I am not paid £5000 a year for spitting out dirt," he says, referring to Mr. Birrell, who has spit out less dirt in a lifetime than is contained in that one sentence. "I have taken the opportunity of congratulating Sir John Benn that Ananias is still flourishing," is his retort to a mere statement of facts and opinions. "There is nothing but a farce going on at Westminster," he says elsewhere. "It is called 'The Gamblers, or come and get 9d. for 4d.' Come and see Llovd George, the magician. He must be inspired, you know, because he preaches in tabernacles." It is crude stuff. You will search his speeches in vain for a noble thought or a flash of genial humour. It is all hard and grinding. But in that it is the true note of Ulster. Not that Sir Edward Carson is an Ulster man. Orangeism never produces a great leader in Ulster. If a man of distinction is born in Ulster, he is, like Lord Bryce or Canon Lilley, usually a Home Ruler. The Orange democracy have never produced a voice or a personality, and but for the Dublin barrister they would to-day be dumb. But the Carson spirit is the spirit, of Ulster in its harshness and lack of humour. There was never such a group of smileless politicians in the House as the men of Ulster. You will get more fun from "Tim" Healy in five minutes than you will get from all of them in five years. They never make a joke, though, like Falstaff, they are the source of humour in other men. "I respect the hon. gentleman," says Mr. Birrell. "We don't want your respect," says the incorrigible Mr. Craig. "The hon. gentleman can't prevent me respecting him," says Mr. Birrell genially. And the House rocks with delight. What can one do with men who have no laughter in their souls?

But with all his defects he has one supreme quality for a leader. He is a firstclass fighting man. He would be magnificent at Donnybrook Fair, and the blackthorn, decorated with the Orange colours, presented to him at Portadown this week, is the perfect symbol of the man. He is always for the blackthorn argument. When the Parliament Bill rent the Tory Party he was the most enthusiastic of "Die-hards," and gave his leader of to-day, Lord Londonderry, no quarter. "We are told that though we run away to-day," he said, "we will fight hereafter—I prefer to fight to-day, to-morrow, and hereafter." That is the man. His blackthorn is never idle.

Withal, he is—such is the perversity of popularity—one of the most popular of men with friends and enemies alike. "Who is the most popular man in the House?" I once asked a member of the present Cabinet. "Younger," he said, without hesitation. "And next?" "Well, it's between Ure and Carson, but I don't know which has it." The truth is that the House takes kindly to the man who has no reserves, no affectations, and loves the smoke of battle.

What is the motive that converts this masterful man of the world into a passionate crusader? Why does he shed tears on the platform—It is not, as I have said, expediency; nor is it patriotism, nor is it even the Union for its own sake. The motive is the Ascendancy of his caste established and maintained by the Union. For a century or more the Orangemen have had Ireland under their heel—

The crown of the causeway in market or street,
And the rascally Papishes under our feet.

With the Castle at their back they have held Ireland like a conquered province—they have held it as the British hold India. They have planted their nominees in every fat job; they have controlled the administration; the police have been an instrument in their hands; justice has been the tool of their purposes; the law has been of their fashioning and the judges of their making. And now the Ascendancy is done. The outworks have gone; the walls are crumbling. Landlordism has been put to flight. The Irish people are emerging from the dust. They have their land; they have their local councils; they stand erect and ask for full freedom in their own household. The whole fabric of Ascendancy is collapsing before our eyes. A new Ireland is dawning across And against the dawn there the Channel. stands a figure baleful and heroic, challenging a new day—a figure emblematic of an ancient tale of wrong and a night that is past.



TURKISH PRISONERS ARRIVING IN CAIRO.

Captured in the fighting beyond the Suez Canal, when an Australian Mounted Troop and the Imperial Camel Corps severely defeated the Turks.

NULLIFYING THE BRITISH BLOCKADE.

I have often been accused of writing too pessimistically on the great struggle in Europe, but compared to Politicus in The Fortnightly I am an optimist indeed! He writes-in October-on" The Position in Roumania," setting forth what may happen in the event of Roumanian defeat, which at that time, be it remembered, was deemed to be practically impossible. He points out, as does every expert now-after the event—that the Germans were practically forced to concentrate every energy on eliminating Roumania. Fail to do that and the war was lost. My readers have had that drummed into them ever since Roumania declared war on August 28th.

The British blockade is beginning to be exceedingly effective. Germany is suffering keenly from lack of food and raw materials. By subjecting Roumania she can provide a vast store of foodstuffs and raw materials which she requires. The Germans are attacking Roumania with the greatest energy, not so much from thirst for revenge, as their statesmen and newspapers assert, but from desire for bread, meat, etc. It is not generally known that until recently Roumania was the third largest exporter of wheat in the world—that in the exportation of that grain she ranged immediately after the United States and Russia. During the last few years Argentina and Canada have come to the front as exporters of wheat, but

even now Roumania sometimes exports per year more wheat than does Canada. By conquering Roumania Germany would conquer, therefore, another Canada. It is noted worthy that Roumania produces almost twice as much wheat as the whole of Austria and about 60 per cent. as much as is raised in the whole of the gigantic German Empire.

Various so-called experts have endeavoured to console us concerning the capture of Roumanian grain supplies by the Germans, assuring us that all they can hope to get will not be enough to feed the Central peoples for more than three weeks altogether. *Politicus*, however, unlike these optimistic comforters, has taken the trouble to ascertain the true position, and he says:

Roumania produces, as a rule, about 10,000,000 tons of grain of every kind. If Germany should succeed in subduing Roumania she would undoubtedly follow her traditional policy of confiscating foodstuffs right and left, and starving the population. The Roumanians would no doubt be put on half rations at the best. Instead of consuming between six and seven million tons of grain and exporting three or four million tons, they would be left with about three million tons of grain, while six or seven million tons would go to Germany. The significance of that colossal quantity will be understood only if we convert it into train loads at 150 tons each. A simple calculation shows that the quantity of grain

which Germany could draw from Roumania would be equivalent to practically exactly half a pound of flour per head per day of every one of the 70,000,000 inhabitants of the German Empire.

He points out, too, that, in addition to the yearly crop, Germany would confiscate the vast stores of grain and flour which have been accumulating in Roumania during the war. Stores which experience has proved are practically undestroyable.

Germany's food position would be secured by the conquest of Roumania, especially as the yearly harvest of that country can be doubled by improved agriculture.

Roumania produces not only vast quantities of grain, but also of meat. She had in 1900, the last year for which statistics are available, 2,588,526 cattle, 5,655,444 sheep, 232,515 goats, 1,709,205 pigs, and 864,324 horses. Germany would be able not only to increase vastly her supply of meat, but also that of wool, of which there is a great scarcity, and of horses, of which there is a very serious shortage.

This wretched pessimist proceeds to tell us some unwelcome things about the great oil wells of Germany's latest victim. The production of petroleum doubled between 1906 and 1913, and can apparently be expanded indefinitely—would undoubtedly be so expanded by the conquerors. Ah! but there we have our pessimist, for have not experts assured us that oil wells can be so effectively destroyed that twelve months of labour must be expended on them ere they are again in working order? In this case no doubt the experts are correct; but can we be sure that the wells were destroyed? Stores do not appear to have been, the great Cernavoda bridge apparently was not, and obviously the bridges over the many rivers which the Germans had to cross could not all have been smashed up, otherwise the advance of the enemy could not possibly have been so rapid. We have to remember that it was for the most part German money that developed the oil wells, and German brains controlled many of the companies working in Roumania. Whilst we should like to assume that the wells had all been destroyed, we cannot but gravely doubt it. Politicus considers that the downfall of Roumania will be a serious disaster to the Allies, and that as a result the Black Sea may become a German lake. The small breach in the dyke created when Serbia was overrun-when the single railway to Constantinople was secured-by Roumanian defeat would become a huge gap. The control of the Danube would be

of immense advantage to the enemy, giving them access to the Black Sea by river.

A glance at the map shows that in addition to the Belgrade-Nish-Sofia-Constantinople railway the Central Powers would obtain three lines of railway leading towards Bulgaria and Turkey. These are the railway which leads from Hermannstadt to Corabia on the Danube or to Bucharest; the line which goes via Kronstadt to Plosci and Bucharest; and, lastly, the railway which goes from the Bukowina to Galatz and Bucharest, or by the Cernavoda Bridge to Constanta. Instead of a single railway line towards Turkey and Bulgaria, Germany would command four. Her transporting and her striking power by railway would be quadrupled.

Not contented with this *Politicus* proceeds to demolish Sarrail's army.

Germany would no doubt make the best use of her opportunities should she be able to throw troops rapidly towards the Black Sea by means of four railway lines and of the Danube. She could, for instance, rapidly. . . . transport a huge army to Bulgaria and attack the troops around Salonika in overwhelming force. If the Roumanian army can no longer create a diversion in the flank and rear of the Bulgaro-German forces facing towards Salonika, the idea of conquering the Balkan Peninsula from Salonika would probably have to be abandoned. Germany's vast superiority in transporting troops would make such an undertaking extremely perilous. The international troops would at best have to confine themselves to the passive defence of Salonika.

He goes on his lugubrious way, writing we must always remember before Roumania proper had been invaded at all.

The downfall of Roumania would not only deprive us of all hope of reconquering the Balkan Peninsula, but would very seriously compromise Russia's position. The most valuable territories of Russia are those situated in the fruitful south. The map shows that a German-Austrian army occupying Roumania would threaten the great Russian towns of Odessa, Nikolaieff and Kherson. Odessa, Russia's greatest port on the Black Sea, lies only 100 miles from the Roumanian border. Obviously Russia could not afford to leave her southern provinces undefended. A large Russian army would have to be assembled in Bessarabia. Other Russian fronts might have to be weakened and very likely Russia would feel impelled to abandon her campaign in Armenia, for she could no longer hope to subdue Turkey by simultaneous pressure in that quarter and by Franco-British-Italian pressure from Salonika. The downfall of Roumania would make the position of Bulgaria and Turkey almost impregnable. It seems obvious that Roumania's disappearance would . . most

seriously affect the whole strategical position to the disadvantage of the Allies.

The destruction of the Roumanian army, says he, would have the most serious effect on the political situation. Neutral States, not only Greece, are wavering.

Roumania's downfall would be a fearful blow to the prestige of the Allies

held responsible for Belgium's defeat, because that country was invaded by surprise before Great Britain had begun to create an army. Serbia's downfall

of war and in spite of the most solemn and most urgent warnings. Still, it might be urged that British statesmen did not think Bulgaria capable of stabbing Serbia in the back, of perpetrating an unparalleled act of treachery upon those to whom she owned her deliverance from the Turkish yoke.

The experience of Germany's

methods and the destruction of Belgium and Serbia should have made a third disaster

impossible.

One begins to doubt whether *Politicus* was not right when he said:—

Roumania's downfall would vastly improve not only the food position and the raw material position of the Central Powers, as has already been shown, but would also vastly improve their position from the point of view of human resources. The Roumanian army would not be able to escape in case of defeat, as did part of the Serbian army. Only a few men might get away from the Black Sea ports. The Allies would lose 700,000 excellent soldiers, and the Central Powers would probably gain as many. Frederick the Great armed his prisoners and forced them to fight for Prussia against their own country. Bulgaria has forcibly enrolled large numbers of Serbians in her army, and has compelled them to fight against their own countrymen. . . The Central Powers have sent the men in the conquered territories to forced labour. If the worst comes to the worst they may employ them on forced service. The possibility of forcing men to fight against their will has been demonstrated by Austria-Hungary, for more than 30,000,000 Slavs, Roumanians, and Italians fight unwillingly for the House of Hapsburg under a foreign flag for a foreign cause.

ORGANISING INDUSTRIES.

There has been a great deal of talk about the imperative need of organising our industries, mobilising our resources. England Mr. Hughes was insistent on this point; it was because of the way in which he urged Great Britain to wake up and get busy that he achieved a great, if transient, popularity in the old country. But when we look round in Australia we certainly do not perceive much attempt to bring about any real organisation and mobilisation of industry here. Deeds, not words, are, after all, what count, and we turn from the spectacle of a going-to-do-sometime Australia to examine what is actually being achieved in other countries.

Foremost amongst these is the United States, where the matter has been most seriously taken in hand. The Engineering Magazine publishes a special "preparedness number," in which it tells of what is being done to mobilise the industrial resources of the country, and discusses plans for the future. A special Committee of Industrial Preparedness has been formed, on which sit men of high reputations, and which is more or less an official affair under the Government. The chairman, Howard E. Coffin, writes on what is practically "The Council for National Defence," and points out that this war has demonstrated that the future is going to be with the engineer

rather than with middleman or politician. "The time has come for the engineer to take that place in the national life which must be his if this country is to hold its own in the great world contest of the years to come."

Two years of the European war, the wonderful organisation, both economic and military, effected by German engineering brains, the near disasters in other countries because of a lack of technical and engineering co-ordination, the hundreds of thousands of lives sacrificed on the altar of economic inefficiency, all show the need that our technical men realise without delay the vital responsibilities which must rest upon them.

Much that Mr. Coffin says of the United States is applicable to England, and to some extent to Australia. America is not, and cannot become, a militarist nation, and it should be clear that, if any policy of preparedness is to be adopted, that policy must be in keeping with the ideals and traditions of the nation, or else it cannot last. It is easy enough to get gigantic votes for new battleships, whilst the war is on, but it would be very difficult indeed to do so after peace has returned to the world.

Yet Germany's wonderful state of preparedness was achieved during her long years of peace, and that same great industrial machine with which she bade fair to conquer

the commercial world is now making her almost unconquerable as a military power.

Every European nation found it fairly easy to train millions of men to fight; but Germany only of these nations was possessed of the organised industrial machinery for supplying the arms and munitions of war to the millions in the field. This conflict has taught us a new conception of warfare. This and all future wars will be decided by the fighting industries of the nations involved. Victory will be won in the mills, factories and the mines far from the sound of the guns. In this connection he points out that, whilst a soldier can be made in a year, it takes many years to make a tool-maker. The necessary equipment exists in the United States—in Great Britain, too—but it is, in the former place at any rate, unorganised, uneducated for national service. The war has shown that it is upon private industry that all hope of quantity production must be based. production must be based. Government plants must become merely assembling depots and training schools in time of such national emergency.

Meanwhile the labour situation in the European countries involved is an interesting study. In France we have a military policy founded on universal service. A careful record is kept of every man—every French citizen—of his experience and qualifications. In France, therefore, it was comparatively easy to bring men back from the front and set them again in their accustomed places at the lathe, the drill, the forge, from which they ought never to have been taken. Even in France, however, chaotic conditions resulted during a considerable and very dangerous period, because of the industrial disorganisation of skilled labour.

In England, he points out that, as no record of skilled labour was kept, the men who had gone to the front could not be brought back in a large majority of cases. The result was that Great Britain, unlike France, had to turn to America for supplies.

And yet, after two years, nearly, in which preparatory work has been carried on by our American manufacturers, one of the representatives of the English Government ninety days ago made the statement to me that if his Government lost in the present war it would be due in large part to the non-delivery by American manufacturers of rifles and other munitions, with which to arm the troops.

Yet, after all, America has been concerned only with the ripples at the edge of the pool. What would have happened had

the United States been one of the parties to the present war? Mr. Coffin cites the case of the machine-gun, of which Germany is credited with having had between fifty and sixty thousand when the war began. But a machine-gun is only one incident in the fitting out of an army.

A machine gun is, as you know, a fairly simple-looking, an innocent-looking little institution which delivers something between six hundred and nine hundred bullets per minute. In so doing it very frequently overheats its barrel, necessitating a change and a quick change—sometimes under very uncomfortable circumstances—of that barrel. Now, on recent orders which have been placed in this country, a specification has been made that six extra barrels be supplied with each machine gun, therefore, in the manufacturing of ten thousand of these guns, seventy thousand barrels must be supplied.

He then tells something of what went on in Germany directly after the war began.

Immediately upon the outbreak of hostilities some interesting things were happening in Germany. I cannot better illustrate than by quoting a true story told me by an eyewitness. In one well-known manufacturing plant in Germany, a telegram announcing the declaration of war was received at two o'clock in the afternoon. Bells rang throughout the plant, and the men filed past their pay windows. Slips of paper were given them carrying instructions. One part of them left the factory at once on the way to concentration points; others proceeded to the store rooms in which were kept gauges, jigs, and tools for use in the production of that material of war for which that plant, through careful governmental pre-arrangement, was to be held responsible. Still others of the work-men left at once to report as experts in matters of ignition on aeroplanes and motor vehicles. The machinery scarcely even stopped. A few hours, at most, in shifting jigs and changing set ups, and the change from the commercial product to the war product had been made. Here, in this simple story, we find the meat of true preparedness. In this story we have illustrated the kind of preparedness which appeals to us.

Having thus cleared the ground, Mr. Coffin gets down to the vital question, what ought to be done to prepare industries in peace time for the needs of war?

If we in the event of war, are called upon to put go per cent. of our industries into the production of munitions of various kinds, and if our firing line is dependent upon us as manufacturers for this material. it is certainly of vital importance to the industries of this country and to every one of us as an American citizen, that we now, by pre-arrangement and in time of peace, while we can work calmly and efficiently, evolve a plan through which we may educate our mills

and factories so that, within reasonable time, they may be swung from their regular lines of production to army and navy work.

He gives instances of what industrial concerns are now doing in the States. A linotype company, in addition to their regular lines, are turning out 6000 fuses a day for the Russians. An electrical concern is making nearly 20,000 fuses daily, and so on and so forth. The first thing to do is to get an inventory of the manufacturing and producing equipment of the country. next to find out the skilled men. One of the largest American manufacturers started work on an order for a foreign Government, and only three expert workmen, skilled in the manufacturing methods necessary to the production of this particular munition, could be found in the country! Then, as the making of munitions is a parts business, all parts made in every factory, no matter how widely separate from others, must fit the parts made in them. The campaign of the Committee on Industrial Preparedness has been based on three steps.

First to find out what the country can produce in the way of army and navy supplies in case of need—the industrial inventory has been practically completed for this Second, to teach every manufacturer in the United States to make for the Government that one part or thing for which his equipment is best fitted. Small annual educational orders must be given to our manufacturers. These orders will not be of sufficient size to interfere in any way with regular commercial products. Suppose, for instance, that a motor car plant is given a standing order for only ten shells of a certain size. The purchasing department will learn its sources of material supply. The manufacturing department will learn manufacturing methods and heat treatment. The inspection department will be given the reinspection department will be given the required information as to governmental standards of inspection. The engineering department will have in its files up-to-date specifications and drawings, covering the work in detail, and the special tools, jigs, and gauges for shop use in quantity production. The shipping department will learn methods of packing and routine of shipments. Last, but not least, the business end of the institution will be brought more closely of the institution will be brought more closely in touch with governmental affairs and with governmental methods of business.

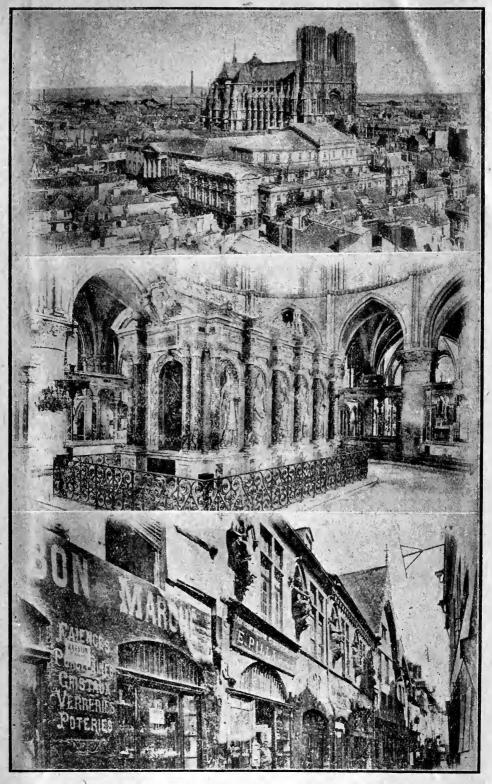
Third, to enrol the skilled labour of the country so that it cannot enlist in the army or navy in case of war. Our factories, mills, and mines must be kept as fully manned as our battleships or our trenches, and this service of our skilled mechanics must be made to carry with it honours equal to enrolment in the fighting forces.

Special boards of directors, consisting of five experts, have been appointed for each State. The inventory forms have been drawn in exact accordance with Census Office practice. These forms do not ask intimate questions, but aim to secure information concerning the capacity of every manufacturing plant in the country, the machinery there, skilled workers, etc. The whole thought is that before a state of preparedness can be reached those months of argument and experiment, of hesitancy, and delay, usually unavoidable when any new line of work for quantitative production is taken up, should be eliminated.

In short, we must find out what the country can do, or what the various concerns are best fitted to do. We must analyse the manufacturing equipment, so that we may say: Here are one hundred concerns capable of making fuses, here a hundred whose equipment fits them to make shells, etc. Then, secondly, we must educate these manufacturers to do that one thing for which their equipment is best fitted. We must say to each manufacturer: "In the event of war this is the particular product for which you are going to be held responsible in such and such quantities. We don't want you to waste any time on any other line of munitions work. When the time of emergency comes we are going to expect you to know how to do this particular job and if you get a telegram from the War Department in Washington asking you to deliver in quantity at your earliest possible date, we do not want a single argument to arise as to what that order means."

The continuance of the work is now assured through the creation by Congress of the Council of National Defence established for the co-ordination of American industries and resources for the national security and welfare. Could not Australia take a leaf out of America's book and get to work instead of only talking about so doing?





VIEWS IN DEVASTATED RHEIMS-TAKEN BEFORE THE WAR.

The magnificent and historic Cathedral, which still dominates the town. The beautifully carved tomb of St. Remi in the Eglise Saint Remi. An ancient street, with the famous House of the Musicians.

THE RESURRECTED CATHEDRAL.

We can all remember what awful feeling of distress swept over us when, in September, 1914, the vivid accounts came of the destruction of the century-old historical landmark, the marvellous cathedral at Rheims. Cables told of the utter destruction of the place. How first one tower and then the other fell, smashed and broken by gigantic German shells. How the roof crashed in, and the flames, roaring upwards, gutted the sacred edifice; the molten lead streaming from the roof completing the demolition of the statues the enemy shells and shrapnel had so cruelly begun.

Later came harrowing details of pavements covered with priceless glass from the savagely destroyed wonder-work, the great rose window the poets of Rheims sang of as that Rose au coeur vermeil, tremblante de lueurs. Gone for ever was this most marvellous structure which had witnessed the crowning of the Kings of France, had seen the triumph of Jeanne d'Arc, this Mecca of the modern pilgrim of the land of the Photographs of the smoking ruin appeared in the papers, and terrible was the lament of all lovers of those monuments of antiquity which link us so subtly with all that is best and greatest in bygone generations.

The first glimmering hope that these circumstantial stories of destruction had perhaps been somewhat exaggerated came when cables announced renewed shelling of the cathedral by the enemy. If it had entirely disappeared it could no longer be shelled, that was pretty obvious. Slowly this hope strengthened, and finally the visits of American journalists dispelled the impression the detailed and furious accounts first sent out had given us. The stories of these correspondents, though, only appeared in American papers, were therefore not seen here, save by a few. At last a well-known Englishman, Edmund Gosse, has visited the city, and sets down in The Fortnightly what he actually saw there.

Rheims is no longer connected by rail with the rest of France. It had to be reached by motor car.

After passing the hamlet of Montbre on the further slope of the mountain, at a turn of the road the cathedral of Rheims suddenly appeared, far away, a dark, purplishgrey silhouette against the pale grey sky. A moment this of high emotion. I confess my first impression was one of grateful

surprise. There, at least, it still is—the monument of monuments, the wonder of Christendom. Somehow, one expected, irrationally, to see it from afar a mutilated fragment, crushed halfway to the ground. One notes that from a distance the familiar outline is not changed; the structure seems unaffected in its general design.

Why "irrationally" in view of the circumstantial cables which flew round the world? The cathedral in its present state has been described, says Mr. Gosse, as a ghost. That is not a happy similitude; the structure is too solid, the aspect too material for that. Say, rather, that it is a corpse.

We gaze up at the vast facade towering above us, we try to define the change in the general character of its appearance. Of this I can give no more exact idea than by saying that a cobweb seems to have been drawn over the whole of it. There it is before us, colossal and superb, but we rub our eyes. What, we ask ourselves, can be the cause of this dimness, this immaterial look?—for the cathedral is "pinnacled" indeed, but, as Shelley would say, "in the immense inane." After some moments of reflection the cause of this cobwebbed effect flashes across the mind. In its pristine state the sculptured detail of the great west front, with its traceries and its pierced galleries, its tiers on tiers of triumphant saints and angels, was sharply drawn everywhere, with a profusion of lines all pure and clear. Now, no salient part has been actually removed, but the sculptured detail has been chipped and calcined, broken and stained, so that all the exquisite harmony of the lines is suppressed, veiled, made inexact, and ineffective. It cannot be too distinctly explained, I think, to those who have not seen the cathedral of Rheims that it is not precisely a ruin, but it is like some delicate object of art that rough children have been playing with. It retains its shape and substance, but it is dirtied and chipped and degraded.

With regard to the famous west front, says Mr. Gosse, I think it is only right and proper that the extent and character of the damage done should not be misstated.

It is easy to pile up adjectives and swell the tragedy, which is dreadful enough without any such exaggeration. For one thing—and this was a great surprise to me—the sculptures round the three great doors were protected early in the siege by a most complete and ingenious system of sandbags. Behind this fortification I was permitted to squeeze myself, and, so far as I could judge, the statues which we know so well are in the condition—already considerably worn by time—in which they stood before the war. Several heads and hands are broken off, but —I speak without book—it seems to me that

some of this damage was done already. Higher up, where protection from the enemy was impossible, the injury is still more deplorable, yet much remains. I am not competent to describe the architecture or the sculpture in detail, but I could not but recognise, intact, the pensive head of the bishop who stands out at the corner of what I take to be the "galerie des rois."

There can be no question that the most damage was done by the flames, not by the bursting shells.

The action of the flames, which were driven by the draught caused by the holes in the roof and windows strongly against the exterior as well as the interior of the west front, has corroded the stone, which presents from outside a very odd hue, a sort of blanched red or dusty rust colour, from which rains have washed away all the blackness of smoke or soot, and have left a dreadful livid pallor, very shocking to the eye. The result of this penetration of the calcining flames is most manifest in the statues which form the second row above the ground over the three great doors. Here the heat from within seems to have positively dislodged and thrust out many of the statues, and to have so far scaled the surface of the others that it has become difficult to distinguish the design in detail.

Three times before has the great church been destroyed by fire, and apparently in every case the conflagration was wilfully started. But after each destruction a cathedral better than the last arose. The present structure dates from the thirteenth century.

To realise the effect of the fire, it is necessary to go inside. But entrance is strictly forbidden, the inspectors of the Administration des Beaux Arts having been doubtful whether a sudden collapse of the structure was not to be apprehended. However, M. Barres and I, to whom nothing was denied, were admitted to view the interior at our leisure. Doubtless, because of the embargo laid upon it, a legend has grown up of the absolute desolution and decrease. up of the absolute desolation and decrepitude of the great church as seen from within. In Paris itself I was asked whether there was any semblance of architecture left, whether it was not a mere shell, a ruin blasted and pierced out of all recognition. By no means is this the case. When we penetrate the west front by the side door, the first impression is that of a very bare large church of the Protestant sort, such as Trondhjem or Peterborough. All evidence of confusion, all dirt and dust and debris, all fragments of chipped stone and broken glass and twisted metal have been removed. The cathedral is empty of all ornament, it is severely swept and cleansed, but it is still a cathedral. The most disconcerting object which meets and annoys the eye is the central candelabrum, which hangs from the ceiling and lolls lugubriously on the floor of the nave; if this deplorable wreck were taken



SARAH BERNHARDT AT RHEIMS CATHEDRAL.
The famous actress has joined the Red Cross
Society.

away, the general aspect of the interior would be almost reassuring.

It is a mistake, says Mr. Gosse, to think that the cathedral is a ruin open to the sky.

The vaulting, though its upper surface was destroyed, remains unbroken, and such gaps as the bombs created seem to have been temporarily filled up. The aspect of the interior is dry and neat. The progress of the fire can be traced by a dark line on the floor. The choir was 'invaded by it and the stalls were burned, but the flames just lapped the foot of the high altar without injuring, it. Portions of the building which seem peculiarly open to the attacks of fire have escaped miraculously. The remarkable, but not beautiful, organ, a modern work, is untouched, and, if my memory serves me right, the famous "horloge du choeur," which has marked the division of the sacred offices for generations, is intact.

Naturally it is to his description of the wrecks of the rose windows he found that all who have ever visited the wondrous building will first turn. He says:—

The highest artistic interest attaches to the glass in the windows, the jewelled richness of the great window over the door being particularly admired. Here there is no question that terrible havoc has been done both by shells and conflagration. Yet even here it is needless to exaggerate. All is not destroyed. Of the western rose about half remains, and of the exquisite windows on the right-hand side of the choir several of the most beautiful—those in which the prevailing colour is something greener than all blues and bluer than all greens—are certainly but little injured, if at all. Some "vitraux" that have peculiarly suffered were gaudy affairs of a late date, whose loss may wring no artist's heart. No doubt several of the oldest windows present a very confused design to the unaided eye, but I

think that if any part of these had been blown out or calcined, a brightness of outer sky would reveal the loss. We may be apt to forget that the windows had suffered many injuries and frequent dreadful restorations long before the war. There have been previous losses, and we need not gratify German malignity by attributing to it what is the result of seven centuries of wear and tear.

Wonderful to relate, the equestrian statue of Jeanne d'Arc, which stands immediately in front of the great west door, was untouched, although explosives were raining down on everything around. "Not a scratch, not a stain, has been left on the bronze of that inviolable virgin."

WHY FREIGHTS ARE HIGH.

Mr. James Armstrong writes on "The Struggle for Ocean-Carrying Trade" in The World's Work. He considers that German submarine campaigns are invested with a spectacular significance totally un-The British Admiralty, he warranted. says, has the menace well in hand. In view of these circumstances why, he asks, does our shipping appear to be shrinking at an alarming rate? Because of the demands of the Services, according to him. Yet the ordinary man in the street, reading the weekly toll of the submarines, may well be pardoned for assuming that the sinking of so many merchant ships, many of them of large tonnage, must have some effect, must be in great measure responsible for the lack of shipping, the highness of freights. He is wrong, according to Mr. Armstrong, who airily dismisses the submarine menace, and tells of the demands of the army and the navy.

The average person may possibly entertain the thought that, having organised our resources and facilities to top-notch, the shipping situation might be eased. But this is an error. Early in the war the pressure upon our tonnage reached enormous proportions, but it is nothing to the demand which is being manifested to-day. Indeed, it is a moot point whether high water-mark has even yet been reached. As the pressure upon the enemy increases so much our demand for vessels rises proportionately.

This national requisition can only exercise one effect. The law of supply and demand is immutable. As the available shipping for commerce suffers diminution the remaining vessels must come more and more in request. Freights must rise because at the moment there is more maritime trade available than there are ships to handle it.

At the moment, he says, we have 1,500,000 tons of new shipping on the

stocks, but probably an impressive volume of this will be absorbed for national service.

It is no uncommon circumstance for freightage charges to-day to exceed the actual value of the goods carried. A case in point may be cited. A cargo of timber to a private order was shipped from Russia to Britain. In pre-war days the rate averaged about £2 per standard, the measurement by which this article is negotiated. On this occasion the freightage charge was £10 per standard. Now the wood-itself cost less than £4 per standard free on board in Russia. Thus the charge for carrying the cargo over the relatively short stretch of water between the Russian port and this country was four times the cost of the article itself!

The inability of Great Britain to meet the demand for tonnage has caused the United States to make a spirited bid for the supremacy of the shipping world.

To-day the American shipyards are experiencing an unparalleled spell of activity and prosperity in the fulfilment of vessels for transoceanic traffic. This development is not without its meed of significance to the British shipbuilding industry. Hitherto we have virtually held the paramount position in this realm because we were able to construct vessels at a figure far below that possible in the United States, while in their operation we had an overwhelming advantage.

The conclusion of the war will certainly witness a remarkable development in shipping circles. Huge tonnage losses have to be made up, and excessive freights will be maintained for a long time.

The traffic in troops and equipment will be as heavy as it is to-day, and the vessels will only be released slowly. As they are returned to their owners they will have to be re-surveyed, overhauled, and refitted, which task in itself will occupy appreciable time, and which, unless the demobilisation of shipping is effected gradually, must lead to congestion in the yards,

Whether Great Britain regains her maritime supremacy—or, rather, keeps it—depends, in Mr. Armstrong's opinion, almost entirely upon what is done to the German mercantile marine. Deprive the enemy of

the bulk of her carrying vessels, and she will be completely paralysed so far as outside markets are concerned. Mr. Armstrong evidently desires that Great Britain should seize the opportunity offered, and, by confiscating the German merchant ships, permanently cripple a dangerous trade rival.

ARMENIA-IN EXTREMIS.

We know a great deal about the Belgians, a little about the Serbians, less about the Poles, and practically nothing at all about the Armenians. Yet undoubtedly the sufferings of this "nation of martyrs" have been greater than those of the Poles, which in turn have exceeded those of the Serbs, which, alas! have been more terrible even than those of the poor Belgians. The constant Armenian massacres which have occurred during recent years have been slight compared to the awful doings since the war

began

It is estimated that before the war there' were in Turkey proper some 2,500,000 Armenians, and in Russian Armenia about 1,500,000. Scattered abroad are another 700,000, and there dwell in Persian Ar, menia 300,000. To-day there are at least a million fewer in the world. Just before the outbreak of hostilities it seemed as if better days were dawning for this Christian people, who, despite the most terrible persecution, had kept their faith, had remained a nation. But the advent of appalling war not only banished the promised reforms, it doomed the entire nation to a purgatory of suffering so terrible that the half will never Unfortunately, as these tragic be told. and awful happenings occurred far away in Asia Minor, little has been heard of them. Had they taken place in Belgium the whole world would have stood aghast, would have hastened to the assistance of the stricken people. As it is, comparatively little has, been done to alleviate the frightful distress. President Wilson was so impressed with the tale of suffering that he allowed collections all over the United States in October, and before that Americans had contributed 1,000,000 dollars to relief funds. In addition they had sent doctors and nurses to Armenia to succour the stricken and dying. Switzerland did the same, and Sweden and Scotland. Lord Mayor of London started a fund for the Armenians, and it is to help swell this

that special collections are to be made in Australia.

We are a liberal people, as is amply demonstrated by the great sums contributed in the Commonwealth to the various funds in connection with the war, but we are also practical, and want to know how our money is going to be spent, whether the object for which we give is entirely worthy. Of its worthiness there can be no doubt whatever, nor is the desperate need in question, but undoubtedly the matter of distribution is one about which there may be considerable uneasiness. The methods adopted however, dispel it at once. Responsible persons have been specially sent out from England to relieve the distress in those portions of Turkish Armenia now in Russian occupation, and the American Ambassador in Constantinople has charged himself with the supervision of relief in Turkey itself. Most of the money is being used to feed the remnants of the people in Armenia and in the Mesopotamian desert.

It was in the beginning of 1915 that the Turks started the systematic deportation of Armenian men for service in the army. The fate of the women and children left behind was horrible. They were driven from their homes down into the desert of Mesopotamia, and as the tragic procession passed along those who fell were pitched into the Euphrates until the stream became choked with corpses, or were left lying by the wayside until their bleached bones alone showed where the tragedy had happened. These gruesome skeletons mark the via dolorosa down into the desert. It is estimated that at least 200,000 perished on the way, old men and women, babies and children. The end of the younger women was more terrible still.

Two hundred and fifty thousand people fled into Russian Armenia to escape the massacres which were taking place on every side, massacres in which it is estimated 800,000 people were killed outright. The

Russians invaded the country, and then retreating, ordered its evacuation, and the Armenians were forced to fly for miles and miles over mountain roads, many perishing on the way. Thus it has come about that in Armenia proper there are scarcely any Armenians left. What few there are have recently returned from across the Russian border, but some idea of the universal devastation can be obtained from the fact that the flourishing town of Van, which usually has a population of 25,000, has now but 4000 practically destitute inhabitants, who have returned to their homes since the Russian occupation.

The Turks forced as many Armenians into the army as possible, and sent them to fronts where fighting was severe. Thousands perished, unwillingly fighting against those who were coming to liberate their country from the Ottoman yoke. Turks, however, became suspicious of those sent to Gallipoli, and withdrew them to Constantinople, where they were employed in making munitions. After the discovery of an alleged conspiracy in the capital many prominent Armenians were hanged, and the men were sent from the munition factories to labour in the Taurus tunnel. That was finally pierced, and it is said that the Turks then deliberately butchered 10,000 of the Armenian workers who had helped achieve this great engineering feat. and there the Armenians have been protected, notably in Angora, but for the most part all over Asia Minor they have experienced the cruellest of treatment, deliberate starvation and brutal murder.

It is those who are slowly straggling back to their devastated homes who stand in the greatest need of help, for they have been deprived of everything, but great, too, is the distress in the refugee camps, where the homeless people are congregated together. A fine tribute to the Armenians was written by T. P. O'Connor, M.P., for the American publication, The New Armenia. He says:—

Many people, on account of meagre knowledge, have been disposed to think of the Armenians as a subject race, like the Kurds, that inhabit Asia Minor and other regions. Anybody who reads history knows that the Armenians are one of the most ancient and cultured, and one of the proudest in all the history of civilisation and Christianity. In spite of all massacres and persecution they have been the great rock of Christianity and the breakwater against the barbarian hordes.

But I have always felt that Armenia appealed to those acquainted with its history, rather because of its sufferings than because

of its character and history. It is a nation of martyrs, and much of its modern story is but the record of repeated massacre. But let us not forget that it is also a nation of a long and glorious history; that it was one of the earliest to create a civilised and cultured society; that it was the first practically as a nation to adopt Christianity for all these centuries through every horror of massacre and oppression. But even this is not enough to say of the essential greatness of Armenian history and Armenian character. It is necessary to remember that it was, at one period of its history, the greatest power among the nations of Asia; that it governed itself with success and equity for century after century; and that it stood at the first rampart of Christianity between Asia and Europe; and, finally, that these traditions of faith and of patriotism have been carried on through many centuries and innumerable generations without the religious or the national spirit suffering the slightest diminution in either its valour or its tenacity.

This is a noble record—the noblest perhaps in the history of the human family. But it should be added again that this national character has all the best qualities of the civilised and the cultured races of the world. The brilliant commercial genius of the Armenian people has made them the chiefs of commerce even in the lands where their race was proscribed. Their thrift and their industry have enabled them often to attain prosperity under every condition that seemed to forbid prosperity. Their art has flourished even when some of its noblest monuments fell before the devastating Turk. Their love of learning is so profound and so widespread that they have kept the school going even in villages where the race had been almost entirely reduced, by one of the periodical cyclones of massacres, to ashes and corpses. Members of the Armenian race sought the highest heritage of learning in the universities of Great Britain, of Germany, and of the United States; and each student had brought back the conquests in culture to the schools and colleges of their people. Such a race is indestructible, is immortal; it has risen again and again from its pools of blood and heaps of ashes. Its blood has flowed, let it be hoped, for the last time. This great war of liberation cannot end, must not end, without giving liberty to the Armenian race; and that liberty must be such as will enable it at last to go along the lines of its development. Armenia is passing from the tomb to the resurrection.

The Armenians have spread throughout the Levant, but, unlike the Jews, they have always retained a great love of their own country, and remain ever Armenians. Some hundred thousand dwell in the United States, but great numbers of them have journeyed across the Atlantic to Archangel down through mighty Russia to the Caucasus to fight in the armies of the Grand Duke for the liberation of their country

from the Turkish yoke. They have done this for the most part at their own expense.

Thousands of Armenians are fighting as volunteers in the French armies, and tens of thousands, who escaped from Asia Minor, were formed into volunteer bands which preceded the Russian army in its advance. In the ordinary way all the young men eligible under the Russian system of conscription were called up from Russian Armenia, but in addition great numbers volunteered. These volunteer divisions took Van and Bitlis early in the struggle, but the Russians, when they in turn reached these important strategic positions, promptly ordered their evacuation, and a general flight followed of all Armenian families, who naturally feared the vengeance of the returning Turks. flight completed the horror the Ottoman massacres had begun.

There are great numbers of Armenians in Roumania, for they are notable traders, and control most of the middleman's business on the Danube from the Iron Gates to the Black Sea. Many have undoubtedly been forced into the Bulgarian army. The Armenians are not only great traders, they are great fighters, and it was they who conquered Caucasia for the Russians when all Muscovite attempts to wrest the land from the Turks had entirely failed. The present Russian Chief-of-Staff, General Alexieff, is an Armenian, so too are many high officers in the armies of the Tsar.

The thing above all others that has caused western peoples to sympathise so deeply with the Armenians is the fact that they have been so terribly persecuted because they were Christians. An oasis of Christianity in the midst of a desert of Mohammedanism. The Armenians are regarded as being the oldest Christians in the world. The evangelisation of the nation was the work of the apostles St. Thaddeus and St. Bartholomew, the former labouring amongst the people from Anno Domini 35 to 43, the latter from 44 to 60 A.D. It was not until 301, though, that the ruler, King Tiridates, made Christianity the official religion of the state. The conversion of Emperor Constantine did not take place until 313, so that Armenia was the first country to adopt Christianity as a state religion.

The Armenians have kept their language with a zeal almost as great as that with which they have guarded their religion. Whenever either has been threatened by Turk, or Persian, or anyone, the people

have been up in arms at once. This language belongs to one of the independent branches of Sanscrit, and is remarkable for its flexibility. Writing in *The New Armenia*, Arshag Tchobanian says:—

The Armenians, like the nations of Europe, belong to the Aryan family of races. Concerning the early period of Armenian history, our knowledge is still rather vague. like the nations of Moses of Khorene extols, in the first volume of his history, the great deeds of the kings of the first Armenian, or, as designated by him, the Haikain, dynasty. Following the popular legends and poems, he recounts the exploits of these first chieftains of Armenia. He evokes the great fabulous figure of Haik, the progenitor of the Armenian race, a sort of Oriental William Tell, who, unwilling to bow his head under the yoke of Belus, the Babylonian tyrant, entrenches himself in the mountains of Armenia. Belus, at the head of a powerful army, pursues him. Haik, with his followers, fights against Belus, and in the thick of the battle kills him with a well-directed arrow, disperses his army, and lays the foundation of an independent Armenia. Then the historian chants of Ara the beautiful, who, loyal to his country, and faithful to his wife, Nouart, spurns the advances of the lascivious Semiramis, Queen of Nineveh, who offered him her hand and her throne, and dies in defence of his country against the army sent by her. He exalts in the achievements of Aram, of Tigranes, and of the other valiant kings. All these legendary accounts contain historic truths; they are the poetic expression of the struggle of many centuries that the land of Ararat had to wage in the dawn of its history, for the maintenance of its autonomous existence, against powerful Assyria and the other great neighbouring empires.

The history of the second dynasty, founded by the royal family of Artaxias, or Ardashes, is more definitely known. Armenia, during this period, attains, under King Tigranes the Great, the apogee of her power, divests the Parthians of their hegemony, and becomes, for the time being, the most extensive and most powerful empire of Asia. This dynasty was followed by that of the Arsacides of Armenia.

For long Armenia acted as a bulwark between Europe and the Asiatic hordes which surged against her borders, but towards the middle of the fifth century the Arsacide dynasty succumbed, and the country was divided between the Persians and the Romans. But the national individuality of the Armenians survived. In the seventh century the Arabs overran the country with fire and sword, but the people resisted heroically in their mountain fastnesses, and finally won an autonomous existence under Arab suzerainty, saving again their language and their religion.

In the eleventh century the Seljuks swept over Armenia, drove out the Arabs, and deluged the country in blood. Ere long, though, the Armenians managed to regain some measure of independence, and, during the Crusades, rendered the western armies great service. Pope Gregory XIII. thus wrote of them in 1384:—

When the princes and the Christian armies were on their way to the Holy Land no nation and no people more promptly and with more zeal than the Armenians rendered them its aid in men, in horses, in arms, in food, in counsel; in a word, the Armenians, with all their strength, with the greatest courage and fidelity, aided the Christians in these holy wars.

At last, however, Armenia was divided between Persia and Turkey, and then began

the long martyrdom of the Armenian race which, continuing through the centuries, is going on even to-day. Had terrible persecution not been their lot few would have emigrated, and although many have won their way to wealth and station in other lands, almost all of them are prepared to return to help build up their own country again when, under the tempered rule of the Tsar, they have their liberties, language and religion secured to them. Until that time comes the Armenians must confinue to suffer and to die, but their sore trials can be lightened somewhat if the Christian peoples of the world come to their help by responding adequately to the appeals for funds being made on their behalf.

RE-EDUCATING THE DISABLED.

L. G. Brock contributes a thought-compelling article to *The Nineteenth Century* concerning what ought to be done to fit those disabled in the great war to earn their livings. The question, he says, and rightly says, is desperately urgent. "Habits of idleness are not easily shaken off, and if once these men are allowed to sink into despondency and apathy they will soon degenerate into chronic unemployables." There is no time to be lost. Delay means wasted lives. The first need is to get the man well, the next to get him the right type of teacher. French experience has established very clearly that the teacher is vital to the success of any scheme of training.

The ordinary technical instructor who understands his subject but not his pupils is quite useless. Teaching the physically defective is not perhaps as difficult as teaching the mentally defective, but it requires much the same qualities, the same inexhaustible patience, the same blending of sympathy and firmness, and above all the power of appreciating the idiosyncrasies of the different pupils. The ideal instructor must know his men as well as his trade. He must study their peculiarities and be able to vary his methods so as to get the best out of each man. But discipline is as necessary as sympathy, for after months of idleness in hospital men will not readily settle down to work.

There are already training schools of the right sort in France steadily engaged in fitting the disabled for whatever work best suits them, but thus far England has lagged behind. Mr. Brock urges that all instructors should be put through a qualifying course, and be constantly requalifying themselves in order to keep abreast of any im-

provements in the methods and practice of what is an experimental business.

The Murray Committee was appointed in Great Britain to enquire into the whole matter, and in its report urged the importance of starting training at the earliest possible date. All who have practical experience agree that disabled men degenerate with startling rapidity if they are left in idleness. The first step is to restore selfconfidence. The psychological factor is allimportant, and no one can exercise the same influence over a patient as a doctor. It is dangerous to leave the man in idleness -that fact is not generally, recognised perhaps—and it is dangerous also to work himtoo hard at first. The Murray Committee made its recommendations, though, before the great secondary hospitals had come into existence. At the time men were being discharged from hospital as soon as their wounds were healed, now they go into the secondary hospitals designed not to heal the wound, but to repair its consequences and to restore function in damaged limbs and atrophied muscles. Miracles of surgery are being performed in these hospitals, and tens of thousands of men are being completely cured who, in the ordinary way, would have remained cripples for life.

Mr. Brock strongly recommends the attaching of training institutions to the secondary hospitals and training the men in them whilst still under military control. They need special classes, for disabled men, he says, who join the same classes as the ablebodied are bound to fail.

One danger to be guarded against is the temptation to train the disabled for clerical

employments which after the war will be more overcrowded, and, consequently, worse paid than ever. Already it appears from protests in the German press that something of this sort is happening in Germany. While the war continues, the demand for clerical labour is such that men with a mere smattering of education can readily obtain employ-ment, and there is always the risk that the short-sighted policy of turning disabled men into wage-earners at the earliest possible date may result in men being forced into clerical posts which they have no chance of retaining when the labour supply is once more normal. It is a sound rule that no disabled man should be encouraged to accept a job which he cannot reasonably be expected to retain after the war. The present conditions are abnormal and temporary, and in framing any scheme of training it is necessary to look to the future. It is no doubt true that many men who were clerks before the war will want to follow an outdoor life, and will prefer emigration to returning to a black coat and semi-starvation. the elementary schools are turning out thousands of potential clerks every year, and the disabled soldier will stand a poor chance in competition with the youngster fresh from school. Clerking has too often been, as it will continue to be, a refuge for victims of an unscientific system of education.

Whilst some men, especially the younger men, will learn new work quickly, others cannot do so. For these he advocates the formation of a Veterans' Labour Corps from which men could be drawn to fill posts as timekeepers, hall porters, lift attendants and other positions which do not require any special skill or strength.

• Men who have learned a skilled trade can, as a rule, be taught another trade akin to their former occupation with surprising rapidity; and it is desirable, wherever possible, to teach the men trades analogous to their former calling, in order to give them an opportunity of living in the same neighbourhood and under the same conditions as before. In the case of skilled men, the object of training should be to enable them to resume something approximating to their old way of life. In the case of unskilled men, the position is different. The lot of unskilled labour is so hard that no disabled man should be required to return to it if he is capable of being trained for anything better. Every unskilled man should be given a chance of developing any

latent gift, and many of the vounger men will be found to be worth training. After all, most men drift into unskilled work not from want of intelligence, but from want of opportunity to acquire a trade, and the French training schools have shown that unskilled men of natural intelligence can learn quickly in spite of their defective education. If these men have never had a fair chance in life before, they have certainly earned one now.

Mr. Brock discusses the wages difficulty, and, as it is one which must inevitably be faced here, I quote at some length.

Another difficulty, which has not yet been successfully solved in any of the countries concerned, is the adjustment of wages after training is complete. In the majority of cases disabled men cannot, except for short periods, compete against able-bodied com-petition either in output or in regularity of work. The possession of a pension naturally tempts them to undersell their able-bodied competitors, and the less scrupulous em-ployers may take advantage of this to pay the pensioner less than the fair market rate for his labour, thus in effect robbing him of his pension. Judging from protests in the German socialist press, this has already be-come an acute difficulty in Germany. In organised trades some agreement may be arrived at between employers and employed. But except in trades where piecework payment is in vogue, a mere agreement to pay disabled men the ordinary rates will not meet the difficulty. The employers cannot be asked to pay disabled men more than they are worth, and any agreement to that effect would merely result in the disabled being driven out of employment as soon as work becomes slack. If employers are required to pay disabled men more than they can fairly earn, they will protect themselves by the obvious expedient of employing only the able-bodied. The most practical solution would seem to lie in the appointment of joint boards for each trade to determine the degree in which productive capacity is impaired. Each man's time rate could then be determined as a percentage of the prevailing time rate in the trade. If, for example, the joint board agreed in a particular case that the man's capacity was three-quarters of the normal, he would receive three-quarters of the standard time rate. But it is clear from the experience of Germany that, unless some impartial authority is established to deal with disputed cases, the employment of disabled men on time rates is bound to cause continual friction.

JAPANESE ON THEMSELVES.

Will the balance of trade created in favour of Japan by the war continue after hostilities cease? This question is being asked everywhere. Dr. Horiye has analysed the situation in The Japan Maga-

zine (Tokyo) to seek an answer. He finds that

In spite of the increase in exports, some of our principal products, like raw silk, refined sugar, coal, cotton yarns, and so on, witnessed a decided decrease, while tea, rice, copper, habutae, cotton cloth, porcelain, and watches saw an increase. But the most phenomenal increases were experienced in such exports as beans, shoes, leather goods, woollen stuffs, antimony, iron, and wheat flour, which in ordinary times have not been regarded as important in our trade. The foreign trade of Japan for the year 1915 was a total of 708,300,000 yen (£70,830,000), as against 591,000,000 (£59,100,000) in the previous year. This increase was due almost wholly to the abnormal demand for the last-mentioned articles. If then the increase has been due for the most part to a demand for munitions and goods used in war, how can we expect the demand to continue after the war? . . No doubt after the war there will be a considerable expansion of armaments, which may keep up the demand for such exports as copper, iron, woollens and leather; but other countries will probably supply these better and cheaper than Japan.

Dr. Horiye tells his people that the United States is preparing to capture permanently "what Japan has obtained during the war." He says that as the war continues Japan will have to accept bonds instead of gold from her Allies for the munitions she is supplying them. He continues: "Though Japan is now profiting abnormally from the war, the time is approaching when she will feel the effect, and have to share the burden assumed by her Allies."

In the same magazine, J. Mouye, who is Director of the Yokohama Specie Bank, says that he would be a bold prophet who ventured to predict the eventual fate of Tsingtau, for that will not be settled until the meeting of the great Peace Conference after the war. The writer, however, is convinced that the place will ultimately be returned to China, "seeing that the Imperial Government of Japan said as much when the reduction of the fortress was undertaken by our army."

As for the Shantung railway it is probable that Japan will purchase it, as the line never really belonged to the German Government, having been under the management only of individual Germans. It is certain that Japan will never return both the railway and the port to Germany; for then her prestige would suffer a lamentable fall and prevent her playing the leading role she aspires to take in the future of the Far East.

The Germans occupied Tsingtau on the pretext of wanting a base for the protection of Germany's interests in China, but the

writer says it was taken over for the special purpose of increasing her importance in the Orient, especially in China. At the present time Tsingtau has a population of about 15,000 Japanese, who are taking their part in building up a new and prosperous city. The writer concludes:—

Now that Japan has defeated the object of Germany in establishing her predominance in the Far East, she has to see to it that Germany does not again obtain a foothold here; and this Japan is determined to do, even if she be compelled to fight for it.

The strange story of the one great military Power of Asia is told in Munsey's Magazine by Mr. Frederic Austin Ogg. His article is entitled "Japan: A World Enigma":—

For forty years the Mikado's Empire has been a world enigma. The phenomenally rapid emergence of its people from isolation and medievalism still causes bewilderment. And in its life and institutions it presents a combination of Oriental with Occidental characteristics which defies analysis.

Mr. Ogg rapidly sketches Japanese history from the time, 660 B.C., when the empire was founded, down to the present period, and in referring to "Japan to-day and to-morrow," says:—

Since her defeat of Russia, Japan has been a figure of steadily increasing importance in world politics. Her resources and wealth have been growing. Her army and navy have been maintained on a high plane of efficiency. Her diplomacy has been energetic, and even aggressive. Her alliance with Great Britain has been maintained, and she has entered into ententes with France and her erstwhile enemy, Russia. The affairs of China, in particular, she has watched with hawk-like keenness and pertinacity. . . . The latest phase of Japanese policy was the decision, in August, 1914, to enter the present war; and the principal pending query relative to Japanese affairs is the effect which the empire's participation in the contest will have upon her status and purposes.

The conflict now raging has, says the writer, brought great industrial and commercial prosperity to Japan; and although it is too early to speak of the political results of the great struggle, all the indications are that the longer it lasts the more decisively it will tend to strengthen the position of the Mikado's Empire as a world-power.

CATECHISM OF THE WAR-XXXII.

Q.—Is the Queen of Roumania an English Princess?

A.—She is so regarded, being a daughter of one of the sons of Queen Victoria, Prince Alfred, Duke of Edinburgh, who, in 1893, became Duke of Saxe-Coburg and Gotha, in succession to the brother of our Prince Consort. Prince Alfred married the Grand Duchess Marie Alexandrovna of Russia, and had four daughters-the present Queen of Roumania being the eldest—but no sons. Duke of Connaught became heir to the Dukedom of Saxe-Coburg when Prince Alfred died, but he and his son renounced the succession. It then passed on to the son of the late Duke of Albany, Queen Victoria's youngest son. Prince, a grandson of Queen Victoria, and brother of Princess Alexander of Teck, and therefore the brother-in-law of Queen Mary, was recently deprived of his English titles by King George, on the ground that he was a German Prince. The Queen of Roumania is his cousin. Other first cousins of hers are King George, the Queen of Spain, the Queen of Norway, the Crown Princess of Sweden, Prince Arthur of Connaught, the Kaiser, the Queen of Greece, Prince Henry of Prussia and Princess Henry, the Tsarina, Princess Louise of Battenberg, and Prince Albert of Schleswig-Holstein.

Q.—What nationality is the Prince Consort of the Queen of Holland?

A.—He belongs to the Mecklenberg family, being an uncle of the present Grand Duke of Mecklenberg-Schwerin. The Grand Ducal House of Mecklenberg is the only reigning family in western Europe of Slavonic origin, and claims to be the oldest sovereign house in the western world. In their full title the Grand Dukes style themselves Princes of the Wends. Their genealogical table begins with Niklot, who died in 1160, and comprises 25 generations.

Q.—What is the population of Greece?

A.—The population of Greece proper, according to the census of 1907, was 2,630,000; at that time its area was 24,400 square miles. Since then Crete, Lemnos, Imbros, Thasos, and other islands have been added, and also portions of Mace-

donia conquered from Turkey in 1913, which make the total area 42,000 square miles, and the total population about 4,700,000. Practically all of what may be regarded as new Greece is now under the sway of the Venizelos Government, leaving the King with Greece proper, and, at the outside, some 3,000,000 loyal subjects.

Q.-How large is the Greek army?

A.—The peace strength in 1915 was 60,000 men. The war strength is estimated to be about 300,000. During the recent Balkan wars Greece put ten divisions of 12,000 men in the field. Most of the artillery came from France, but the rifles used were of Austrian make.

Q.—How many people live in Roumania?

A.—The census of 1912 gave the population at 7,500,000. The area of the kingdom is 53,689 square miles. The peace strength of the army was 100,000, the war strength is put down at over 500,000, of which some 225,000 would take the field. When the Roumanians invaded Bulgaria in 1913 they used their standing army only. The artillery is armed with Krupp guns.

Q.—How did the Greeks get the armoured cruiser "Averoff," which served them in such good stead during the war with Turkey?

A.—The patriot millionaire, Georgios Averoff, when he died, left a large sum of money to be devoted to the defence of his country. This, supplemented by a national subscription, enabled the Greek Government to purchase this armoured cruiser building in Italy in 1908. She was more powerful than anything the Turks possessed at that time, and consequently dominated the Aegean, and made possible the trans-ference of Greek troops by sea to the Epirus, the transport of Bulgarian divisions from Salonika to Thrace. She also prevented the Turks from transferring troops from Asia Minor to Macedonia by sea. Greece, since the Balkan war, purchased the two small pre-dreadnought battleships, Mississippi and Idaho, each of 13,000 tons, from the United States, rechristening them Kilkis and Lemnos. Although the last capital ships built in America before the dreadnought era began, they are slow boats, and have no great fighting value.

Q .- Who owns the Suez Canal?

A.—The shareholders of the Egyptian Company which was formed by M. de Lesseps to build it. The original capital was £8,000,000 in 400,000 shares of £20 each. France originally took 200,000 of these, the Ottoman Empire took 96,000. Of the remaining shares the Viceroy of Egypt obtained 85,506. England, Austria, Russia and the United States would have nothing whatever to do with the projected canal, the cutting of which was strongly objected to by the British Government. Lord Palmerston told Lesseps, when he went to London to try and raise money, that, in the opinion of British experts, the making of a canal between the Mediterranean and the Red Sea was a physical impossibility, the levels of the two seas not being the same. However, in 1875, the Khedive of Egypt, being very hard up, he tried to sell the shares he held-those of the former Viceroy and those taken up by the Turkish Government—to a French syndicate, but the British Government, becoming aware of this, stepped in, and purchased the lot, 176,602 shares in all, for £3,976,582. Just about their face value. Those shares are now worth £30,000,000!

Q.—Who was responsible for this purchase?

A.—Lord Beaconsfield generally gets the credit for this deal, which gave Great Britain virtual control of the Canal, the building of which she had so strenuously opposed. Actually, though, had it not been for Mr. Frederick Greenwood, editor of The Pall Mall Gazette, nothing would have been known about the intended sale to the French until the transfer of shares had actually been made. He urged upon Lord Derby the need of immediately purchasing the Khedive's shares. Beaconsfield, at that time Prime Minister, agreed, and the deal was put through.

Q.—Did the city of Paris borrow money in the United States?

A.—Yes. It was a loan of rather exceptional character, having been arranged by the great banking house of Kuhn, Loeb and Co., who have refused consistantly to have anything whatever to do with war loans. When calling for subscriptions the firm issued a special announcement concerning the way in which the money was going to be used. It is wanted, it read, to reimburse

the City of Paris for very heavy expenditures made by it for the alleviation of suffering caused by the war, and to provide for additional similar expenditures, and for other municipal purposes. A part of the money may be expended in the construction of hospitals and of general relief work. The firm was asked to participate in the Anglo-French war loan, and absolutely refused. It issued this statement in order that investors should know that the money loaned to Paris will not be used for the purchase of arms or munitions, but will be devoted exclusively to the amelioration of human suffering.

Q.-How much was the loan for?

The term is five A.-£10,000,000.years, and the bonds bear interest at 6 per Principal and interest are payable in This is the first external loan ever negotiated by Paris. Hitherto it has been able to obtain whatever it needed in France. It is the second municipal loan for a European community raised in the United States / since the war began. The first was one for £1,300,000 to the Metropolitan Water Board of London. The Paris loan proved very popular indeed. Applications were confined to one day only, but in that time more than three times the amount was subscribed for. The offer was made at 98\frac{3}{2} and there have been sales at 99\$.

Q.—Has the price paid for the huge Allied purchase of copper from the United States ever been published.

A.—The price is understood to be 27 cents (1s. 1½d.) per lb. The order was for 448,000,000 pounds of copper (200,000 tons). This single order involved a sum of £25,000,000, and was presumably paid for by money raised in the United States in the shape of a heavily covered loan. The purchasers were the British, French, Italian and Russian Governments; 200,000 tons represents one-fifth of the entire yearly output of copper in America. The order is to be shipped, beginning in January, at the rate of 75,000,000 lbs. per month.

Q.—What was the recent loan to China by the United States for?

A.—It was for £12,000,000, and was to be entirely used for the building of a railroad in China by a strong American company. The security was to be the 1500-mile long railway when built.

Q.—Do conscientious objectors receive any consideration from the military authorities in conscript countries?

A.—No; they do not receive any at all, that is why people who have strong feelings in this matter have gone to England and to the United States, countries which did not compel everyone to serve in the army. During the American Civil War, when conscription was adopted by the North, the Quakers, who originally went to America in order to avoid persecution in England, were very harshly dealt with, and had to suffer as they have so often suffered elsewhere for their principles.

Q.—When a member of the A.I.F. is reported missing in France, by what means can relatives discover his fate or whereabouts? Are there any Swiss or Dutch associations having access to prison camps that will undertake inquiries?

A.—The Red Cross Society should be applied to. It has a special branch in England devoted to that matter, and is in direct touch with those who can ascertain whether missing men have been made prisoners or not. Application should be made to the local headquarters in each State.

Q.—In a recent catechism you stated that Fulton was the inventor of the steamboat. Was he not merely the man who developed Symington's idea?

A.—Fulton perfected the first really efficient steamboat, but many vessels propelled by steam had been seen on the water before his time. The first recorded was built by Joseph Hulls, in 1736. It was intended for use as a tug only, but was a failure. William Symington, a Scotchman, built a steamer in 1788, with two paddle-wheels in the middle of the deck. In 1803 he built another for Lord Dundas which towed barges on the Forth and Clyde Canal until its use was forbidden by the canal owners. Fulton saw this tug-boat, and on his return to America he built the first really efficient vessel to be propelled by steam. Bell built the Comet in 1812, which had a yard fastened to the funnel on which a sail was hoisted. In 1837 steamboats began to run regularly from London to Margate.

Q.—Why did England float a three-year loan of £10,000,000 in Japan recently?

A.—In order to get credit in New York.
The United States has evidently been buy-

ing largely in Japan. The Japanese will apparently accept British exchequer bonds for this American indebtedness, and Great Britain gets the £10,000,000 due for Japanese goods in America. In other words, the British Government has bought the American debts to Japan. By so doing she avoids having to pay gold in the States or having to raise a loan of £10,000,000 there against which she would be forced to put up some £15,000,000 worth of high-class collatoral securities. Japan, being in the swim with us, does not demand either gold or heavy security.

Q.—What is Australia's position in regard international finance?

A.-For 1915-16:-

Excess of imports of merchandise over export of merchan-

dise £12,701,335 Interest of foreign loans, say ... 16,000,000 War expenditure outside Aus-

tralia, say 25,000,000

£53,701,335

Q.—What is the reason of this adverse balance of trade?

A.—There has been an excessive and increased importation of luxuries owing principally to the great expenditure of loan moneys. Money withdrawn from the producing industries by war loans, etc., is being spent in the cities on extravagant living, but a large part goes out of the country in payment for imported luxuries.

Q.—Is New Zealand in a better position?

A.—Far better. The surplus of exports over imports in each of the past two years was over £20,000,000.

Q.—Would it be advisable to stop the importation of all luxuries into Australia?

A.—That is a matter on which opinions differ considerably, but obviously if this were done, the adverse trade balance would be greatly reduced.

Q.—Is it true that the Argentine has prohibited the export of wheat because that crop was poor last season?

A.—That reason has been given; there may be others. Apparently what the Argentine Government did was to threaten to prohibit all *surplus* supplies of wheat. Presumably the trouble has arisen over the question of payment. Naturally Great

Britain and her Allies wish to avoid sending gold abroad, and have managed to arrange with Japan and the United States, for instance, for these countries to raise loans, and thus pay themselves with money borrowed from themselves for goods they have sent to Great Britain or Russia. But whilst wealthy states can give the Allies credit in this way, small states cannot raise internal loans, would necessarily demand gold payments. As Great Britain purchased almost £50,000,000 worth of produce from Argentine last year it is quite maginable that there might be difficulty in sending gold in settlement for goods. In such circumstances it is possible to read something of a threat into the announcement of the Argentine Government re the prohibition of export of wheat.

Q.—Does Great Britain rely largely upon Argentine for meat?

A.—Not long ago the British Government placed an order with the River Plate Freezing Establishments for 50,000 tons monthly, as compared with 35,000 tons in former contracts; 50,000 tons a month is, roughly, 1,000,000,000 pounds per annum. As the price is $5\frac{3}{4}$ d. per lb. f.o.b., that involves a sum of £24,000,000 for meat alone. In addition, the export of butter was considerable, being 162,000 cases for the first six months of 1916, as against 115,000 a year ago. The amount of wheat obtained from Argentine last season must certainly have been very large. In ordinary years Britain purchased from Argentine maize to the value of $f_{11,000,000}$, and oats to the value of about £2,000,000. At the present prices ruling the crops purchased would be worth about £15,000,000 and £3,000,000 respectively. We may reckon that the value of the total purchases made by Great Britain from Argentine cannot well be less than £50,-000,000 per annum.

Q.—Does Great Britain export much to Argentine?

A.—The exports dropped greatly during the early months of the war, but during the first six months of 1916, they had increased to £6,000,000. Thus it would seem that the most we could expect Great Britain to have exported to Argentine during 1916 would be about £12,000,000 worth of goods. This means that at least £38,000,000 would have to be paid to Argentine by

Great Britain in gold, or the bill be settled by some other method.

Q.—Is it true that men eat more when they are soldiers than when they are civilians?

-Mr. Pretyman stated in the House of Commons that men who are serving as soldiers eat from one and a-half to twice as much as they did as civilians. Other estimates say that owing to unavoidable waste when men are rationed, it is generally assumed that it takes as much to feed one man in the field as it does to feed four civilians. It is no doubt due to this that the exports of meat from the United States have increased so tremendously. In the year immediately before the war 455,000,000 lbs. were exported; in 1914-15, 885,000,000 lbs.; and in 1915-16, 1,339,000,000 lbs. The chief increase was in beef, which jumped from 6,400,000 lbs. in the fiscal year of 1914, to 170,000,000 lbs. in 1915, and 231,000,000 in 1916. Most of the meat exported went to Great Britain (170,000,000 lbs.), France (98,000,000 lbs.), and Italy (48,000,000 lbs.), but in the year preceding the war no exports of fresh meat whatever went to these countries.

Q.—What has the war cost Switzerland?

A.—The total expenditure of mobilisation up to September 16 last was 437,000,000 francs. Adding the known budget deficits for 1914-15, the estimated deficit for the current year and the presumed deficit for 1917, the war debt will reach the sum of 600,000,000 francs. Therefore, expenditure on mobilisation, which it is prudent to expect to last to the end of 1917, will make the total 800,000,000 francs (£32,000,000). Special war levies on capital, a tax of 25 per cent. on war profits, and further special taxation will, it is expected, bring in about £5,000,000 towards meeting this war expenditure.

Q.—Do many neutral countries have a War Profits Tax?

A.—The Swiss levy a tax of 25 per cent. on war profits. In America there is a tax of 12½ per cent. levied on profits from direct war orders. It affects only final profits, after due allowance has been made for depreciation, amortisation, etc. In Spain special arrangements had to be made to meet the situation caused by the sudden cutting off of certain exports and the consequent loss of revenue to the State. Amongst economies effected was a 25 per cent. reduction in the number of civil servants.

FINANCIAL AND BUSINESS QUARTER.

The year just closed was, without doubt, the most unique in the history of the Australian financial and commercial world. In trading circles old methods were put into the "melting pot," the law of "supply and demand" was to a great extent discarded owing to the price-fixing operations of the Government; there were many embargoes upon export, and adequate importation was practically impossible owing to the dearth of freight. Generally speaking, distributors had a very anxious time. During 1915 reserve stocks had proved ample for local requirements, but during the year just ended the holdings had become depleted, and time and again shipments of various goods were landed upon a bare market. In addition, exporters on the other side of the world were considerably hampered by the fact even if freight were obtainable, suitable packing receptar's, such as tanks, kegs, cases and bagg., were exceedingly scare owing to the demands of the War Office.

Despite these somewhat depressing circumstances, however, trade was seldom disorganised; many warehouses indulged in inter-house trading, and so, by that means, kept up their stocks. Large orders, however, were firmly declined as a precaution against the speculative element. In many lines the Australian manufacturer had an opportunity for building up his industry, which will probably not occur again, but the shortage and irregular arrival of many necessary raw materials was instrumental in preventing the utilisation of the opportunity to the fullest extent. Although, in most cases, commercial houses are certainly not likely to be called upon to "disgorge" under the operations of the War Time Profits Act, business upon the whole has exceeded the volume expected after two years of war, a position of affairs mainly attributable, unfortunately, to the fictitious prosperity engendered by the expenditure of loan money.

Contrary to the experience of Canada and New Zealand, the Commonwealth has not enjoyed a favourable trade balance with which to discharge, in part, her loan indebtedness. Thus it was that Australians were appealed to by the Federal Treasurer on two occasions last year, to dip their hands deeply into their pockets on account of expenses incurred through our participation in the world's war, and, taking every factor into consideration, they responded exceedingly well. In addition to the second war loan of £21,651,720, and the third loan of £23,483,160, the Commonwealth Government floated a loan of £4,000,000 on the London market during the past 12 Furthermore, New South Wales, acting independently, was successful in providing for some of her needs in Great Britain, but she was far from being welcomed as a borrower. In Victoria, comparatively small loans have been negotiated for internally by such bodies as the Board of Works, the Gas Company and the Broken Hill Pty. Co.

The loan liability of the Commonwealth is mounting rapidly, but is likely to be still further added to early in the new year, The Federal authorities have power to ask for about £27,000,000, the balance of the third war loan, but Mr. Poynton has intimated that he is not likely to require the whole of that amount at pre-The funds needed should be easily raised, without checking or diverting the flow of the country's business. Although they suffered recently through the effects of a disastrous drought, the primary producers are now "getting their own back." Butter is commanding record prices in Great Britain, and substantial quantities of Australian makes are being marketed there, the wheat crops of 1915-16 and 1916-17 have been sold to the British Government at very satisfactory prices, whilst the wool clip has also been bought by the home authorities at a particularly gratifying figure. With rigid economy practised by those in command, the vear 1917 should unfold no financial embarrassment for Australia.

The past twelve months brought forth many grave problems for the Allies to solve, both in military and naval quarters. In one sphere, however—the financial—the methods of the Entente have been beyond cavil. Britain, of course, has played the main part in this important phase of the

international struggle, her business acumenand capacity commanding the admiration of the neutral world, and in some instances -though perhaps somewhat grudginglyof enemy financiers. One well-known American magnate said, a few months ago, he regarded Britain's handling of the financial question as "one of the unrecognised marvels of the present war. strain, terrific as it is, has been, and is being borne with relative ease." What that strain is can be gathered from the figures supplied recently by Mr. McKinnon Wood, financial secretary to the Treasury. British expenditure from August, 1914, to March, 1917, will probably amount to f,3,883,000,000, which includes f,800,000,000 advanced to the Allies and the Dominions, repayable after the war. Since the beginning of the war, the Government has raised £1,011,000,000 in taxation, providing sufficient for interest on loans and the creation of a sinking fund.

* * *

There are many people, including recognised financial authorities, who, during the war, have derived a great deal of comfort from the fact that the German mark shows heavy depreciation in neutral countries; it is argued that it is an excellent barometer, denoting the trend of the war. There are others again who contend that fluctuations in the exchange value of the mark are no criterion of the "success or failure" of the enemy. Judging by recent movements in the exchange value of the mark, it would appear that the latter have substantial ground for their contention. When the Germans were rebuffed at Verdun, and the position of the Allies generally showed improvement, the mark fell substantially in New York and other centres. When Germany conducted her successful expedition into the Balkans in December, one naturally expected a recovery in the rate, but the exact opposite occurred, and the exchange value of the mark depreciated lower than ever before.

* * *

Some months ago when the mark underwent a substantial drop, American economists explained the fall in the exchange on Germany as due mainly to the depreciation in the value of German paper money, which it was stated had increased 300 per cent. in volume since the war began, while re-

demption by gold had been suspended. One authority recognised the force of the theory that since Germany was almost isolated, the lower rate of exchange arose partly from the difficulty of transferring funds, but argued that that was not the chief factor in the depreciation of her currency. It is rather a remarkable coincidence that at the time of the German reverse at Verdun, weakness in French exchange was apparent in New York. A leading American financial journal stated at the time that the franc was quoted "lower than it had been for many months. It could not be said that conditions incident to the progress of the war were a cause for the decline, the financial markets apparently construing the course of events at Verdun as becoming more favourable for France. The fact that the French currency is on a paper basis, which is openly acknowledged and deplored by the economic authorities of that country, is, of course, an element in the matter, but is hardly accepted as a governing influence."

Japan has again shown further evidence of her desire to assist the Allies in the international struggle. Everyone is familiar with the splendid manner in which our Eastern friends have assisted to feed, clothe and munition the Russian armies, but their assistance has not stopped with that. It was recently announced in the House of Commons that a loan of 100,000,000 ven (£,10,000,000) had been arranged with the Japanese banks, and that the proceeds would be immediately available in America. During 1916, it has been computed that Japan has assisted the Allies to the extent of over £,20,000,000. At the present time the Eastern country's financial position is stronger than ever before in its history. National obligations have been steadily discharged, and at the same time the gold reserves of the country have been substantially increased. Within the last few months £500,000 worth of $4\frac{1}{2}$ per cent. bonds have been redeemed by Japan in London; £10,000,000 has been released in New York for the purchase of British bonds, and $f_{0.5,000,000}$ has been loaned to Russia, a further issue to that country of £8,000,000 now being negotiated. Further, the Japanese Government has raised a domestic loan of £4,000,000, and has become primarily responsible for an issue f,6,000,000 to China.

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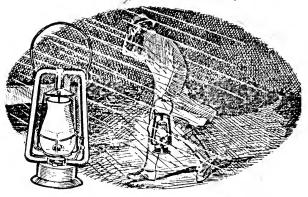
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